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Japan

Government Grants 'Humanitarian' Aid to USSR

OW1812100390 Tokyo KYODO in English 0856 GMT 18 Dec 90

[Text] Tokyo, Dec. 18 KYODO—The Japanese Government approved 100 million dollars worth of credit as emergency assistance to the Soviet Union on Tuesday to help it overcome food shortages expected to peak in January.

Chief Cabinet Secretary Misoji Sakamoto said the assistance was being offered for humanitarian reasons, and should not be construed as a change in Japan's policy of refusing financial aid to the Soviet Union until a territorial dispute over ownership of four islands northeast of Hokkaido is resolved.

"Economic assistance and humanitarian assistance are two separate matters," he told a regularly scheduled news conference after announcing the aid package.

In addition to the Export-Import Bank credits, Sakamoto said Japan will provide 1 billion yen (about 7.8 million dollars) worth of food and medical supplies through the Red Cross and other international organizations. The government will also introduce tax incentives to encourage the private sector to offer financing and commodities, Sakamoto said.

The assistance will be made available in time for the worst part of the crisis, expected in January, the spokesman said, adding that the two governments would take action to ensure that the assistance is distributed fairly.

Asked whether Japan was prepared to meet a Soviet need for credits for economic development, Sakamoto said that was a matter for discussion along with the territorial dispute when Soviet President Mikhail Gorbachev visits Japan in April.

Soviet Ambassador to Japan Ludvig Chizhov said at a lecture earlier in the day that the Soviet Union also needs credits for development of energy, light industry, and other sectors.

The aid announcement decision comes a week after the United States and the European Community made similar offers.

U.S. President George Bush approved last Wednesday U.S. credit guarantees for purchases of 1 billion dollars worth of American food.

On Friday the EC agreed on a 1 billion dollar food aid package for the Soviet Union.

Sakamoto said that Japan decided on making available 100 million dollars, (around 13 billion yen) based on its estimation of humanitarian needs.

Foreign Ministry officials said the credits would not be restricted to the purchase of Japanese products.

Untied loans from the Export-Import Bank of Japan have been made available for food aid in the past only in conjunction with World Bank programs.

Since 1948 Japan has extended a total of some 1 trillion yen in credits to the Soviet Union, mostly to promote Japanese exports and commercial ventures.

"The Soviet Union is facing a serious situation with food shortages and approaching winter," said Sakamoto.

"We are told that the Soviet people are worried and dissatisfied, so we decided to offer assistance from a humanitarian standpoint," he said.

Details on the credits are to be worked out after consultations with the Soviet Union, the Foreign Ministry officials said.

Japan previously offered 1.23 billion yen in humanitarian assistance to the Soviet Union in the aftermath of the December 1988 Armenian earthquake, which killed tens of thousands of citizens and left 500,000 homeless.

Soviet Envoy Calls for Financial Credits

OW1812063090 Tokyo KYODO in English 0600 GMT 18 Dec 90

[Text] Tokyo, Dec. 18 KYODO—The Soviet Union wants Japanese financial credits to help resolve the economic problems that have forced the country to seek emergency foreign assistance, Soviet ambassador to Japan Lyudvig Chizhov said Tuesday.

"All the problems in the Soviet Union cannot be resolved with humanitarian aid alone," Chizhov said during an address at a function sponsored by KYODO NEWS SERVICE.

"Regular credits are necessary and we are prepared to receive them on mutually acceptable conditions," the Soviet envoy said.

Chizhov's remarks came after government sources said earlier in the day that Japan is preparing to provide the Soviet Union with some 26 billion yen in credits for the purchase of foodstuffs. But Chizhov said foreign credits are needed not only to import food and daily household necessities, but to develop such economic sectors as energy, light industry, and chemicals.

Observers said this is the first time for a Soviet official to explicitly request Japanese financial assistance in a public forum, though Soviet diplomatic sources in Tokyo said last week that credits were desirable.

The sources said Moscow wants Japan to pick up a share of the 18 billion rubles worth of foreign funds that economic experts estimate the country needs to set it on a forward course.

They said the Soviet Union needs some 8 billion rubles in soft loans, repayable over three to five years, and some 10 billion rubles in longer-term project loans.

Chizhov called on Japan to end its policy of linking full-fledged economic cooperation with the Soviet Union to the pace of progress in the political arena of bilateral relations.

Japan has said that large-scale financial aid to the Soviet Union is conditional on the return of four northern islands seized by the Soviet Union at the end of World War II.

Komeito Urges 'Economic' Aid to Soviet Union

OW1812074290 Tokyo KYODO in English 0717 GMT 18 Dec 90

[Text] Tokyo, Dec. 18 KYODO—Komeito Chairman Koshiro Ishida called on the Japanese Government on Tuesday to initiate economic aid to the Soviet Union to alleviate that country's current economic plight.

Ishida, leader of Japan's second-largest opposition party, speaking to reporters in the Japan National Press Club, said Japanese economic aid to the Soviet Union will promote friendship between the two countries in the long term. He said it is of no use for Japan to maintain a policy of linking political relations and economic relations in a bid to regain four northern islands seized by the Soviet Union at the end of World War II.

The Japanese Government has refused to give economic aid to the Soviet Union until the islands off northeastern Hokkaido are returned to Japan and a peace treaty is signed between the two countries.

Ishida said Soviet leaders have showed various approaches in an attempt to resolve the territorial issue as the visit of Soviet President Mikhail Gorbachev to Japan next April draws near.

Apart from pledges to extend food and medical aid to the Soviet Union, the Komeito leader said the government should present long-term plans to promote political and economic relations between the two countries.

Referring to Japan-U.S. relations, Ishida said Japan should maintain friendly relations with the United States. But it will be necessary for both countries to review their relations in future in view of the fact that the international situation is changing with the end of the cold war, he said.

Further on Export-Import Bank Credit to USSR

OW1812050190 Tokyo KYODO in English 0432 GMT 18 Dec 90

[Text] Tokyo, Dec. 17 KYODO—Japan is preparing to provide the Soviet Union with Export-Import Bank credit to help it purchase wheat and other foodstuffs, government sources said Tuesday.

The Export-Import Bank of Japan is expected to make available 26 billion yen (around 200 million dollars) worth of credits.

The credits are in addition to 500 million yen (about 3.9 million dollars) worth of emergency medical supplies, and consultations on improving the transportation system to help the Soviet Union overcome shortages due to a breakdown of its distribution system.

The move marks the biggest deviation so far from the government's policy of not separating its economic and political policies toward the Soviet Union.

The policy was put in place to enforce Japan's claim that the Soviet Union must return four small islands east of Hokkaido, occupied by the Soviets since World War II, prior to completing a peace treaty.

But the line of separation between economics and politics has become increasingly blurred since last January, when former Foreign Minister Shintaro Abe proposed boosting economic cooperation as part of a program of a "balanced" expansion of relations.

One government source said that the credits from the governmental bank would not comprise a break in the policy because it was in response to humanitarian needs, and will be offered as emergency aid.

The official described the credits as a type of loan.

The decision comes a week after the United States and the European Community made similar offers.

U.S. President George Bush approved last Wednesday U.S. credit guarantees for purchases of 1 billion dollars worth of American food.

The EC agreed last Friday on a 1 billion dollar food aid package for the Soviet Union.

35 More Nationals Return From Iraq 18 Dec

OW1812043490 Tokyo KYODO in English 0319 GMT 18 Dec 90

[Text] Narita, Chiba Pref., Dec. 18 KYODO—Thirty-five Japanese nationals, exhausted from their four-month ordeal in Iraq and the long trip home, arrived at Narita Airport on Tuesday morning to the cheers of 150 friends, relatives, and company officials.

They were accompanied by the Iraqi wife and baby of one of the Japanese, as well as three officials from the Japanese Embassy in Baghdad.

Their return means that only 17 Japanese now remain in Iraq—a businessman who plans to return home in a few days, 13 embassy staff, and three reporters.

The group arrived at the airport at 10:46 A.M. aboard a special Japan Airlines flight ferrying the returning hostages from Bangkok.

Earlier, they had arrived in Bangkok from Iraq aboard an Iraqi Airways charter flight for a three-hour stopover and to transfer to the Japan Airlines plane.

In Bangkok, about 50 Japanese nationals from the embassy and business community turned out at the airport to welcome the returning Japanese nationals.

Masahiro Tofukuji, head of an association of Japanese nationals in Iraq, said, "As association president, I considered it a mission to make sure everyone left Iraq without incident, so I remained there until now."

"Some of us thought we had been abandoned, but at last, the freedom to go home has revitalized us and eased our spirits," said Tofukuji, 59, an employee of Marubeni Corp.

The last remaining Japanese businessman in Iraq is Kazao Nozaki, 45, head of the Baghdad branch office of the major trading company C. Itoh and Co.

'Sources' Preview Jan Trade Talks With U.S.

OW1812120290 Tokyo KYODO in English 1140 GMT 18 Dec 90

[Text] Tokyo, Dec. 18 KYODO—Japan and the United States have scheduled a series of trade consultations in Tokyo for next month, government sources said Tuesday.

The negotiations include a follow-up meeting on the so-called Structural Impediments Initiative (SII) talks January 17-18, subcabinet level talks January 21-22 on ways to break an impasse in the Uruguay Round of multinational trade negotiations, and discussions on the opening of Japan's construction market January 23-24, the sources said.

The sources said Japan and the United States agreed to hold these negotiations in January as scheduled because the resumption of the Uruguay Round trade talks will be delayed to February.

In the SII talks, the two countries will discuss budgetary appropriations and implementation of public works projects under a 10-year spending program agreed on by the Japanese Government in the previous round of negotiations.

The two sides will also exchange views on Japan's land tax reforms and heavier penalties against violators of fair trade rules, the sources said.

The controversial issue involving the opening of Japan's rice market will be discussed at the subcabinet level meeting, they said.

U.S. demands for a comprehensive review of Japan's construction market in order to give foreign contractors greater access will be the main subject of discussions at the construction talks, they said.

Opposition Welcomes Planned Talks With DPRK

OW1712141090 Tokyo KYODO in English 1348 GMT 17 Dec 90

[Text] Tokyo, Dec. 17 KYODO—Opposition parties welcomed the agreement between Japan and North Korea on Monday to start full-scale negotiations in January to normalize diplomatic relations.

Tsuruo Yamaguchi, secretary general of the No. 1 opposition Japan Socialist Party (JSP), said the agreement is a big step toward normalization of ties.

The JSP, Japan's ruling Liberal Democratic Party, and North Korea's governing Korean Workers' Party called in September for early normalization of relations and for Japan to compensate North Korea for postwar "losses."

Yamaguchi urged the government to respect the spirit of the parties' declaration.

Otohiko Endo, director general of Komeito's International Affairs Bureau, said his party hopes the full-fledged talks will not hinder dialogue between Seoul and Pyongyang and the peaceful reunification of the Korean Peninsula.

Takashi Aoyama, director general of the Democratic Socialist Party's International Affairs Bureau, said Japan is not in a position to compensate North Korea for postwar "losses."

Mutsumi Sasaki, chairman of the International Commission of the Japanese Communist Party, said Japan must make clear its responsibility for its aggression and colonial rule of Korea.

Former ROK Detainee on Human Rights Violations

OW1812111990 Tokyo KYODO in English 1025 GMT 18 Dec 90

[Text] Tokyo, Dec. 18 KYODO—Released South Korean political detainee Suh Sung urged Japanese lawmakers Tuesday to keep watch on prisoners of conscience in South Korea so the authorities cannot abuse their human rights.

Suh was speaking to a group of 35, including a dozen Japanese lawmakers who belong to the Amnesty Parliamentarians League, in coalition with the human rights group Amnesty International.

Suh, who was burned on the face and body after attempting suicide during his 19 years in detention, said torture is still conducted by South Korean investigators.

The former inmate, who was contacted in jail by Amnesty International under its letter writing campaign, stressed the need for the treatment of inmates to be "monitored" by the outer world.

South Korean investigators and prison officials are apt to change their violent attitude if they realize a prisoner has contact with the outside, Suh said.

Suh was born near Kyoto, western Japan, in 1945 to parents from the Korean peninsula and was arrested in 1971 while studying in Seoul, along with his younger brother. He spent 19 years in a South Korean prison on spy charges and was once sentenced to death. He was freed in February this year and will be a fellow at Harvard University in the United States beginning in January to lecture students on his bitter experience.

Suh criticized South Korea's human rights violations under President No Tae-u and said over 4,000 political prisoners were arrested since he came to power in 1988 and the current number of political prisoners amounts to 1,400, topping the peak of 1,200 under former President Chun Tu-hwan.

He blamed the continued existence of "antidemocratic" laws such as law concerning the right to assemble, law under the agency for national security planning, and labor laws, which he said the Seoul government has promised to abolish or revise.

Suh said President No projects his smile to the international community but has shown a stern face toward domestic citizens, especially after a campaign beginning October 17 in which the government declared a "war on crime."

He said there are 57 aging prisoners of conscience being held in Taejong. One 75-year-old inmate is now suffering from partial paralysis. Two others are now spending their 40th year in prison on political charges.

Suh cited examples of the growing pressure on Seoul to release political prisoners, including a letter from 46 U.S. lawmakers to No in October. The South Korean Catholic bishops' conference in November also demanded No set all political inmates free. He said Japan could help improve human rights conditions in Asia by first raising its own standard.

At the meeting, ruling Liberal Democratic Party member of the House of Representatives Hyosuke Kujiraoka, who leads the lawmakers' amnesty group, noted the significance of trying to reach the prisoners of conscience through a variety of means.

Satsuki Eda, head of the United Social Democratic Party, said the legislators' group is preparing for possible activities aimed at gaining the release of political prisoners in Asia and other parts of the world.

Korean Priest Granted 'Further Year's Residence'

OW1712043490 Tokyo KYODO in English 0356 GMT 17 Dec 90

[Text] Kitakyushu, Fukuoka Pref., Dec. 17 KYODO—The Justice Ministry has decided to grant special permission for a further year's residence in Japan for a Korean Christian priest who has refused to be fingerprinted, immigration officials said Monday.

The officials said they informed Choi Chang-hwa, 60, who lives in Kitakyushu, southern Japan, of the decision.

Choi has been required to apply for a permit to stay every year since 1986 due to his refusal to be fingerprinted, instead of every three years as before.

December 16 was the date his one-year extension became invalid, officials said.

All foreign residents in Japan, including resident Koreans, must submit to fingerprinting under present regulations, regardless of their length of residency.

Under a Japan-South Korea agreement reached last April, only third-generation South Koreans are exempt from registering their fingerprints.

Also at a Japan-South Korea ministerial meeting in Seoul on November 26-27, Japan agreed to exempt first- and second-generation Korean residents of Japan from the fingerprinting requirement as soon as a suitable alternative method of identification can be developed.

Mongolian Red Cross on Japanese POW Deaths

OW1712114190 Tokyo KYODO in English 1027 GMT 17 Dec 90

[Text] Tokyo, Dec. 17 KYODO—More than 1,600 members of the Japanese Imperial Army died in Mongolian prisoner of war camps following World War II, the president of the Mongolian Red Cross Society told a symposium here Monday.

Addressing a meeting on Japanese prisoners of war in Mongolia, N. Shura revealed for the first time that out of 12,318 Japanese in Mongolian camps after the war, 1,615 died during their internment.

The Mongolian Red Cross Society and members of the All-Japan Former Internees Association, a veterans' group seeking compensation for the prisoners of war, concluded the symposium by signing a agreement to hand over a roster of the prisoners of war and arrange visits to the grave sites of those who died in detention.

According to Shura's presentation, the Japanese prisoners of war were brought into Mongolia from the Soviet Union at the end of 1945 and interned in 16 different prisoner of war camps, where they worked in construction and lumbering.

In October 1947, some 10,705 were returned to the Soviet Union, reported Shura, adding that there are three gravesites for the Japanese dead, including one in Ulaanbaatar.

Shura said that although records of the deceased soldiers list 1,615 deaths, calculations based on the number of prisoners delivered from and returned to the Soviet Union indicate that 1,613 Japanese prisoners died in Mongolia.

Shura said the main materials on the Japanese internment are in the national archives in Mongolia, where they are still being uncovered.

Poll Shows Gorbachev Popularity Up, Kaifu Down

OW1812043290 Tokyo KYODO in English 0029 GMT 18 Dec 90

[Text] Tokyo, Dec. 18 KYODO—A majority of Japanese favor a step-by-step return to Japan of four Soviet-occupied islands east of Hokkaido, the NIHON KEIZAI SHIMBUN (Nikkei) said Tuesday.

The business daily said 55.1 percent called for the gradual takeover and 29.9 percent for the simultaneous return en bloc of the islands, Etorofu, Kunashiri, the Habomais and Shikotan, which the Soviet Union seized immediately after World War II. It also said 3.4 percent favored the return of the Habomais and Shikotan only, 4.4 percent did not ask for the return of all the islands and that the remaining 7.3 percent made no reply.

The Nikkei surveyed 10,000 out of the country's 91 million voters on December 7-10 via telephone. Of the total, respondents came to 6,117 or 61.2 percent.

It said 56.2 percent called for efforts to improve overall ties with the Soviet Union in parallel with efforts to resolve the decades-long territorial dispute, while 14.6 percent argued for priority in resolving the territorial row. Another 17.5 percent chose to place priority on improvement of ties rather than the territorial problem.

The poll also said that 52.1 percent feel friendly to Soviet President Mikhail Gorbachev, compared with 41.8 percent who do not.

It said that 56.4 percent expressed trust in Gorbachev as a world leader, compared with 20.3 percent who did not trust him and 23.3 percent who made no specific reply.

Asked about a Soviet military threat to Japan, 15.1 percent replied that there still remains a major threat while 49.8 percent replied that such a threat remains but the level has declined sharply. The poll said that 25.7 percent replied there is almost no threat.

An overwhelming majority, 72.4 percent, expect progress toward a resolution of the territorial dispute when Gorbachev visits Japan next April, while 18.3 percent do not anticipate this.

Meanwhile, the Nikkei survey reported another decline in the public approval rating for the Cabinet of Prime Minister Toshiki Kaifu, putting it at 43.3 percent, down from 46.1 percent in October.

Kaifu: No Plan for Reshuffle Before Budget Work

OW1712133290 Tokyo NHK General Television Network in Japanese 1000 GMT 17 Dec 90

[Text] Regarding the timing of a Cabinet reshuffle, Prime Minister Toshiki Kaifu said to a group of reporters on 17 December that he will devote himself to the urgent policy issues aimed at compiling the budget. Thus, he reiterated that he has no plans to reshuffle the Cabinet before completing the fiscal 1991 budget.

Prime Minister Kaifu, at a meeting between top executives of the government and the Liberal Democratic Party [LDP] held in the afternoon of 17 December, asked attendants for their cooperation in the compilation of the fiscal 1991 budget. The supplementary budget for the current fiscal year is due to be passed by parliament by the end of today.

A reporter asked the prime minister if his request for cooperation means that he does not intend to reshuffle the Cabinet before the next fiscal year's budget is compiled. Prime Minister Kaifu responded by saying that he plans to devote himself to next year's budget compilation. Thus, he reiterated that he has no plan to reshuffle the Cabinet before compiling the budget.

On the timing of the Cabinet's reshuffle, Prime Minister Kaifu denied the possibility of an early cabinet reshuffle during a recent news conference in Niigata. However, many members of the LDP are demanding an early Cabinet reshuffle. The tug of war within the LDP over the timing of the reshuffle is expected to continue for some time.

Watanabe Urges Building of 'Whole Party System'

OW1712035590 Tokyo NHK General Television Network in Japanese 1000 GMT 16 Dec 90

[Text] Former Policy Research Council Chairman Watanabe of the Liberal Democratic Party has stressed that, in carrying out a Cabinet reshuffle, Prime Minister Kaifu should give priority consideration to building a whole party system without sticking to the question of whether or not Recruit-contaminated members should be given Cabinet portfolios. Watanabe made the remarks in a speech he gave at Nishinasu town in Tochigi Prefecture today.

Discussing economic management next year, Watanabe said that factors of recession have come to the fore one after another as seen in the decline in stock prices and the tendency of increased bankruptcies. He then suggested that it may be necessary to lower the official discount rate to approximately 4.5 percent, or 1.5 percent lower than the current level. Thus, he pointed to the difficulty Japan may face in its economic management next year.

Watanabe said that, although he does not know when the Cabinet would be reshuffled, he is afraid Prime Minister Kaifu might stumble on bigger issues if he continued forever to stick to the question of whether or not those involved in the Recruit scandal should be included in Cabinet appointments. He said he thinks Prime Minister Kaifu had better deal with a Cabinet reshuffle by giving priority consideration to building a whole party system.

Watanabe's remarks are believed to be intended to check Prime Minister Kaifu, who is said to be against the appointment of those contaminated by the Recruit or Lockheed scandals.

LDP Farm Leader Supports 'Minimum' Rice Access

OW1812050990 Tokyo KYODO in English 1445 GMT 17 Dec 90

[Text] Tokyo, Dec. 17 KYODO—Tsutomu Hata, a leader of the ruling Liberal Democratic Party's [LDP's] farm bloc, said Monday he is willing to consider the possibility of granting strict "minimum" access to Japan's rice market.

Hata, a former minister of agriculture, forestry, and fisheries, said in an interview with KYODO NEWS SERVICE that such a proposal might warrant consideration in order to help guarantee the successful conclusion of Uruguay round trade liberalization talks next month.

The talks, being held under the General Agreement on Tariffs and Trade, have bogged down over farm trade issues.

He added, however, that there are a number of farm products besides rice that are still protected under Article 25, the so-called "hard core waiver" clause. He also said other countries have yet to make it clear what they are prepared to do to liberalize farm products they are protecting under the statute.

Okinawan Governor Ota Delivers Policy Speech

OW1712104490 Naha NHK Television in Japanese 0315 GMT 17 Dec 90

[Text] The Okinawa Prefectural Assembly opened its regular monthly session for December today, the first since the inauguration of new Okinawa Prefectural Governor Masahide Ota. At the session, Governor Ota revealed his resolve for prefectural administration by vowing his best efforts in building a peaceful Okinawa.

The prefectural assembly opened its regular December session at 1000 this morning and, after it decided to set the duration of the session for 10 days until 26 December, Governor Ota, who won in the 18 November gubernatorial election, delivered his inaugural speech.

The public gallery was fully packed with visitors, mostly supporters of the new governor, since it was the first prefectural assembly session since Governor Ota's inauguration.

[Begin Ota recording; video shows Ota standing on the rostrum, reading from a prepared text] In view of the situation in Okinawa Prefecture, I take the weight of my responsibility to heart. During the last world war, the precious lives of more than 100,000 people from Okinawa Prefecture were sacrificed here. I wish to make the building of a peaceful Okinawa the pillar of my prefectural administration, taking a hard, steady look at the lesson of this tragic Battle of Okinawa. The Second Okinawa Development Plan, currently being implemented, has only a little more than a year left to go. I intend to do everything in my power to attain its goals and to formulate the Third Okinawa Development Plan, which will play a pivotal role in building Okinawa Prefecture in the 21st century. [end recording]

The prefectural assembly has a total of 31 draft bills on its agenda, including a proposed general account supplementary budget, scaled at 8.34 billion yen. A major item on the list of bills is some 150 million yen earmarked for the purchase of bulletproof vests and travel expenses to bring more police forces from Kyushu as part of the measures against gangsters; the cost of this will be defrayed to Okinawa Prefectural Police Headquarters. The prefectural police heaquarters is charged with investigating the protracted gangland war and related security precautions.

Also pending is a bill calling for assembly approval of proposed appointments of lieutenant governors and a chief accounting officer. Governor Ota has proposed the appointment of Hirokazu Nakaima, formerly a Ministry of International Trade and Industry official and currently a director at the Okinawa Electric Power Company, and Kazumi Uezato, a female dentist, to the posts of the two lieutenant governors. He also proposes to name Hiroshi Miyahira, currently treasurer of the Naha Municipal Government, as chief accounting officer.

The prefectural assembly will examine the proposed appointments at a steering committee meeting to be held this afternoon ahead of other bills and will decide if the appointments should be put to a vote on 22 December.

Although the ruling party is a minority party in the current prefectural assembly, the proposed appointments of the top three posts in the prefectural government will likely be approved with a majority vote since the opposition Shinsei Club is known to favor the proposal.

The prefectural assembly is scheduled for representative interpellations by parties and floor groups on 19 December and general interpellations on 20 December. Both the ruling and opposition camps are to question Governor Ota on pending issues facing Okinawa Prefecture, including the new Ishigaki airport project, a national arbor day event, and consolidation and reduction of U.S. military bases.

Diet To Recess for One Month Beginning 19 Dec

OW1812120990 Tokyo KYODO in English 1156 GMT 18 Dec 90

[Text] Tokyo, Dec. 18 KYODO—The Diet will go into a monthlong year-end recess Wednesday, after passing bills covering the supplementary budget for fiscal 1990 in both the House of Representatives and the House of Councillors on Tuesday.

Both houses are expected to resume regular sessions around January 25, taking up such topics as measures by which Japan can contribute to the international community, land tax reforms, and the coming defense buildup program.

The Diet on Tuesday approved a 2,281 billion yen supplementary budget for fiscal 1990, ending next March 31.

The budget contains 130 billion yen, about 1 billion dollars, in financial support for the U.S.-dominant multinational forces in the Persian Gulf region.

Plan To Increase Crude Oil Reserves Abandoned

OW1812121290 Tokyo KYODO in English 1153 GMT 18 Dec 90

[Text] Tokyo, Dec. 18 KYODO—The government has given up a plan to increase its crude oil reserves by three million kiloliters in the year to March 1991 because of the stringent demand-supply situation caused by the outbreak of the Persian Gulf crisis, officials said Tuesday.

The natural resources and energy agency of the Ministry of International Trade and Industry said it would be virtually impossible to achieve the goal in a short period by the end of fiscal 1991.

Agency officials said the government will try to increase the reserves as much as possible if the Gulf situation improves by next March.

The ministry has earmarked several billion yen in the 1990 fiscal budget to increase the national oil reserves, which currently total 33.01 million kiloliters in crude oil.

The ministry in the past set aside imported crude oil for the national reserves, starting in about August.

The plan had to be postponed because of Iraq's invasion and annexation of Kuwait in early August.

It was not immediately decided whether to carry over this year's reserve plan to the next fiscal year, officials said.

Fuel Oil Exports to Taiwan, ROK To Resume

OW1812114290 Tokyo KYODO in English 1111 GMT 18 Dec 90

[Text] Tokyo, Dec. 18 KYODO—The Ministry of International Trade and Industry said Tuesday it has approved resumption of C fuel oil exports to Taiwan and South Korea after a lapse of 10 years.

The ministry's natural resources and energy agency said 40,000 tons of middle sulfur C oil with more than 1.0 percent sulfur content will be destined for Taiwan and 35,000 tons for South Korea.

Shipments will be made by major Japanese oil refiner-distributor Idemitsu Kosan Co., agency officials said.

The agency said approval of the sale stemmed from the judgment that Japan's domestic supply-demand position would not be affected.

Japan has suspended export of fuel oil since the second oil crisis in 1980, when about 190,000 kiloliters were sold overseas.

C fuel oil is produced as a by-product in processing crude oil into kerosene and gas oil.

North Korea

Text of Preliminary Talks Agreement With Japan

SK1712155590 Pyongyang KCNA in English 1519 GMT 17 Dec 90

[Text] Beijing December 17 (KCNA)—The third round of the Foreign Ministry's director-level preliminary talks was held here from December 15 to 17 as part of the intergovernmental negotiation for the normalization of the relations between the Democratic People's Republic of Korea and Japan.

The sides reached a consensus on all matters over the opening of full-dress DPRK-Japan intergovernmental talks.

At the third preliminary talks the sides concluded the discussion and adopted a document of agreement.

Follows the full text on the document:

Record of preliminary talks for normalization of DPRK-Japan relations:

The DPRK delegation led by Chu Chin-kuk, director of Department No. 1 of the Foreign Ministry, and the delegation of the Japanese side led by Sakutaro Tanino, director of the Asian Department of the Foreign Ministry, held three rounds of preliminary talks for the normalization of DPRK-Japan relations on Nov. 3 and 4, on Nov. 17 and on Dec. 15, 16 and 17, 1990, in Beijing.

On December 17 the sides reached an agreement on holding the full-dress talks for the normalization of DPRK-Japan relations as follows:

1. The time of the talks

in late January, 1991

2. The place

the first round in Pyongyang

the second round in Tokyo

the third round in Beijing

3. The level of the heads of the delegations to the full-dress talks

vice-minister level

4. The agenda

1) basic questions on the normalization of DPRK-Japan relations

2) economic questions following the normalization of DPRK-Japan relations

3) international issues concerning the normalization of DPRK- Japan relations

4) other matters of concern for both sides (the legal status of Koreans in Japan, Japanese spouses, etc)

December 17, Beijing

Concluding the talks the head of our side's delegation said that the agreement will be conducive to developing good neighbour relations between the peoples of Korea and Japan and consolidate peace and security in Asia.

Delegations Leave for Libya, China

SK1712113690 Pyongyang KCNA in English 1013 GMT 17 Dec 90

[Text] Pyongyang December 17 (KCNA)—A DPRK Government fishery delegation headed by Choe Pok-yon, chairman of the Fishery Commission, and a DPRK delegation of the Ministry of Railways headed by its Vice Minister Hwang Sam-nin left here today respectively for Libya and China.

Libyan Economic Delegation Visits Kim Il-song

SK1712114090 Pyongyang KCNA in English 0958 GMT 17 Dec 90

[Text] Pyongyang December 17 (KCNA)—The great leader President Kim Il-song today received the economic delegation of the great Socialist People's Libyan Arab Jamahiriya led by 'Izz-al-Din M. al-Hinshari, secretary of the General People's Committee for Traffic, Communications and Maritime Transport, on a visit to Korea.

Present on the occasion were Kim Tal-hyon, vice-premier, Chong Song-nam, minister of external economic affairs, and 'Abd al-Hadi Mustafa, interim secretary of the People's Committee of the People's Bureau of Libya in Korea.

The head of the delegation handed a gift and a personal letter of Mu'ammar al-Qadhdhafi, leader of the great September First Revolution of Libya, to President Kim Il-song of the Democratic People's Republic of Korea.

President Kim Il-song expressed thanks for this and had a talk with the guests in a cordial and friendly atmosphere.

Group Signs Cultural Protocol

SK1812111590 Pyongyang KCNA in English 1041 GMT 18 Dec 90

[Text] Pyongyang December 18 (KCNA)—A protocol of the 7th meeting of the joint committee of the government of the Democratic People's Republic of Korea and the Great Socialist People's Libyan Arab Jamahiriyah was signed here today.

It was signed by Chong Song-nam, minister of external economic affairs, and 'Izz-al-Din M. al-Hinshari, secretary of the General People's Committee for Traffic, Communications and Maritime Transport of Libya. A 1991, 1992 and 1993 working plan for information and cultural cooperation between the government of the Democratic People's Republic of Korea and the Great Socialist People's Libyan Arab Jamahiriyah was signed today.

Meeting Marks Palestinian Revolution Anniversary

SK1812054190 Pyongyang KCNA in English 0506 GMT 18 Dec 90

[Text] Pyongyang December 18 (KCNA)—A meeting was held here Monday on the occasion of the 26th anniversary of the start of the Palestinian revolution and the "world day of solidarity with the Palestinian people".

Pak Tong-chun, vice-chairman of the Korea-Palestine Friendship and Solidarity Committee, made a speech at the meeting.

Today, he said, the Palestinian people and resistance fighters under the leadership of the Palestine Liberation Organization, their sole legitimate representative, are resolutely braving manifold difficulties and trials in order to consolidate the position of the independent state and achieve territorial integrity.

He expressed full support to and firm solidarity with the Palestinian people in their just struggle against the U.S. imperialists and Zionists.

Saying that the friendly and cooperative relations between our two peoples which have cemented through the historical meetings between the great leader Comrade Kim Il-song and Comrade Yasir 'Arafat are further strengthening and developing with each passing day, he stressed: Our people will in the future, too, fight together with the Palestinian people in carrying out the common cause of independence and national liberation against imperialism.

Mustafa al-Safarini, Palestinian ambassador to our country, spoke next.

The bonds of principled friendship between our two peoples forged by the great leader Comrade Kim Il-song and His Excellency Yasir 'Arafat proceeded from the common goal for liberation and independence.

He laid emphasis on the struggle of the Korean people who are stepping up the revolutionary cause of chuche and building a peculiar socialism of Korean style.

The Korean people have made great successes, repulsing all sorts of plots and moves of the imperialists and thus showed the justness of their line, he said.

Noting that the proposal for founding the democratic confederal republic of Koryo put forward by the great leader President Kim Il-song is the most ideal proposal for the reunification of Korea, he said that Korea must be reunified according to the proposal.

He expressed full support to all proposals advanced by the DPRK to force the U.S. forces out of South Korea and decide their destiny by itself.

A congratulatory letter to the president of the State of Palestine was adopted at the meeting.

A film show and a photo exhibition were arranged Monday.

Latin Americans Meets WPK Delegation

SK1512115090 Pyongyang KCNA in English 1012 GMT 15 Dec 90

[Text] Pyongyang December 15 (KCNA)—Gustavo Mojome Ryene, national secretary general of the Socialist Political Action Party of Peru, stressed that socialism in Korea is, indeed, a peculiar socialism which has been built on the basis of the chuche idea under the wise guidance of the great leader Comrade Kim Il-song and is being made shine and carried to completion by dear Comrade Kim Chong-il, when he met a delegation of the Workers' Party of Korea [WPK] headed by Kim Hyong-u, vice-director of a department of the WPK Central Committee, on December 3.

The reunification of Korea, he noted, must be achieved in accordance with the proposal put forward by the great leader.

Jose Pedro Cardoso, chairman of the Central Committee of the Socialist Party of Uruguay, said when he met the WPK delegation on December 8 that the WPK is a revolutionary and powerful party and that the participation of the WPK delegation in the Congress of the Socialist Party of Uruguay constitutes a full support and encouragement to the members of the Socialist Party of Uruguay.

He referred to the development of the relations between the Socialist Party of Uruguay and the WPK and hoped that the reunification of Korea would be achieved at an early date.

Indalicio Sayago Herrera, general secretary of the Central Committee of the Socialist People's Party of Mexico, when he met with the WPK delegation fully supported the WPK's policy of national reunification and the struggle of our people for its materialisation.

All Asia Urged to Oppose Imperialist Aggression

SK1812111890 Pyongyang KCNA in English 0958 GMT 18 Dec 90

["Building of New Asia Is Common Cause of Asian People" —KCNA headline]

[Text] Pyongyang December 18 (KCNA)—NODONG SINMUN today calls on the Asian people to turn out more courageously against all manner of foreign domination and intervention, aggression and plunder and for progress, prosperity and peace in Asia.

The great leader Comrade Kim Il-song said:

"The Asian people must oppose imperialist aggression and intervention, rid themselves of the backwardness and poverty that have been handed down from the past, and build an independent, peaceful and prosperous new Asia. To this end, the countries of Asia must further develop solidarity and cooperation."

To build an independent, peaceful and prosperous new Asia is the common cause of the Asian people, the author of the article says, and goes on:

The Asian people have the conditions and capability to build a new Asia splendidly. They are industrious and talented. They have established a proud tradition by waging a long-drawn-out bloody struggle against the foreign forces and for freedom and independence and accumulated a wealth of experience in creating culture and developing the economy. Asia abounds in natural resources and manpower. The point is how the Asian people endeavour.

The most important thing is that the nations of Asia firmly maintain their independence.

It is essential for them to firmly maintain their independence, reject the intervention and control of the imperialist dominationist forces and refrain from blindly obeying their orders.

They must heighten vigilance and frustrate the attempts of the imperialist dominationist forces to impudently poke their nose into the internal affairs of Asia and bring them under control.

In order to ensure peace and security in Asia, it is imperative to wage the anti-imperialist, anti-war and anti-nuke struggle more dynamically.

The aggressive military bases and troops of U.S. imperialism must be pulled out of South Korea and other parts and nuclear-free, peace zones be established and extended throughout Asia.

The imperialists' intervention and aggression must not be tolerated in any part of Asia and their scheme to form a new military bloc must be shattered.

If a durable and permanent peace is to be guaranteed in Asia, the U.S. troops and nuclear weapons must be withdrawn from South Korea and the political and military confrontation must be removed from the Korean peninsula.

Disputes must be resolved peacefully through negotiation.

If the nations of Asia are to achieve progress and prosperity, they must oppose exploitation and plunder by imperialism and colonialism, destroy the outdated and inequitable international economic order established by the imperialists and colonialists and set up a new equitable one.

The nations of Asia must pool their strength and intensify cooperation. This will enable them to foil the intervention and separatist and alienating manoeuvres of the dominationist forces, succeed in building a new Asia and destroy the old international economic order and establish a new one.

The DPRK Government and people will do their best to strengthen and develop friendship, solidarity and cooperation with the Asian people under the banner of independence, peace and friendship in the future, too.

KCNA Reviews 18 Dec Pyongyang Press

SK1812052690 Pyongyang KCNA in English 0447 GMT 18 Dec 90

[Text] Pyongyang December 18 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received the economic delegation of the Great Socialist People's Libyan Arab Jamahiriyah.

Carried in the press is a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, to Ali Saibou, president of the National Movement for the Society of Development of Niger and president of the Republic of Niger, on the 32nd anniversary of the proclamation of the Republic.

The world public highly praise the immortal exploits performed by President Kim Il-song saying that he is a great thinker and theoretician, says NODONG SINMUN.

The paper gives an account of a meeting held to commemorate the 30th anniversary of the on-the-spot guidance of President Kim Il- song to the Kim Il-song Higher Party School.

It is reported in the press that the dear leader Comrade Kim Chong-il received a gift from Mu'ammar al-Qadhdhafi, leader of the Great September First Revolution of the Great Socialist People's Libyan Arab Jamahiriyah.

Papers carry articles on boundless love and solicitude of Comrade Kim Chong-il for children.

The press reports about repercussions of the reply letter sent by Comrade Kim Chong-il to the members of the second party cell of the department no. 5 of the KOREAN CENTRAL NEWS AGENCY upon working people across the country.

NODONG SINMUN carries a message of greetings sent by :he Central Committee of the Workers' Party of Korea to the 27th Congress of the French Communist Party.

The paper runs an article titled "Highly Important Guideline Indicating the Way of Improving and Strengthening the Training of Party Officials To Meet the Requirement of Developing Revolution".

Econews of the press includes reports that spreading humus soil over fields is in full swing at rural communities of the country and that the Sunchon Cement Complex produced 6,400 more tons of cement every month than last year.

The press informs the readers that the third preliminary talks for the normalization of DPRK-Japan relations reached an agreement and that the DPRK and the Soviet Union are cooperating in the field of science and technology.

Conveyed in the press are foreign public voices calling for the withdrawal of the U.S. troops from South Korea and supporting the DPRK's proposal for a North-South non-aggression declaration.

NODONG SINMUN comes out with a commentary on a "congratulatory speech" of the South Korean "prime minister" at the "graduation ceremony of the Defence Academy".

South Korean news of the press includes reports that trade unions of South Korean press organs released statements denouncing the assault upon a reporter who was covering the "traditional concert for reunification seeing 1990 out", a council of trade unions of big companies was formed and religionists demanded the reunification of the country and the withdrawal of the U.S. troops.

NODONG SINMUN runs the second installment of an article saying that South Korea is an extremely fascist and closed society, the article contributed by its press group which had visited Seoul to cover the third North-South High-Level Talks.

It is reported in the press that the Chinese foreign minister supported the DPRK's proposal for peaceful reunification, the Iwate Prefectural Assembly of Japan demanded earlier establishment of diplomatic relations between Japan and the DPRK and a Gifu prefectural 100-member committee for earlier opening of Japan-Korea diplomatic relations was formed.

The United Nations General Assembly in a resolution denounced the United States and Israel and developing countries are closely cooperating with each other in various domains, according to the press.

NODONG SINMUN and MINJU CHOSON run articles under the respective titles "To Build a New Asia Is Common Cause of Asian Peoples" and "South Korean 'regime' Is Dependent, Fascist and Splittist One".

Papers observe the 32nd anniversary of the proclamation of the Republic of Niger.

Labor 'Upswing' Seen in Areas of Economy

SK1512111390 Pyongyang KCNA in English 1007 GMT 15 Dec 90

[Text] Pyongyang December 15 (KCNA)—A labour upswing is being effected in various branches of the national economy in Korea.

The Yongsong general machine bureau has completed the manufacture of 4,000 hp compressors nos. 3 and 4 for the Hungnam fertilizer complex.

The bureau has put out four 4,000 hp modern compressors with more than 26,000 spare parts and attachments of some 2,500 kinds in a few months. Now it is striving to complete compressors nos. 5 and 6 within this month.

The press shop remodelled the process of forging crankshafts for the 4,000 hp compressors on a rational basis to save huge workforce and increase production efficiency by more than 30 percent.

The Kim Chong-tae general electric locomotive factory has manufactured fashionable tramcars and trailers.

A tramcar drawing two trailers has a high traction capacity with an accommodation of more than 600 persons.

The tramcar has wide windows and four doors through which passengers can get in and out in brief moments.

The electrical and mechanical devices of the tramcar have been made on modern lines and it has no vibrations and noise. Its brake range is short and safe.

The minimum curvilinear radius of passage is 18 metres.

Meanwhile, the General Bureau of Land Transport, the General Bureau of Sea Transport and many districts in Pyongyang, some 80 factories and enterprises in South Hwanghae Province have fulfilled their yearly plans.

The Yongsong daily necessaries factory and the Unsan lorry station fulfilled their Third Seven-Year Plan (1987-1993) targets more than three years ahead of schedule.

New Year's Farming Preparation 'in Full Swing'

SK1812045890 Pyongyang KCNA in English 0438 GMT 18 Dec 90

[Text] Pyongyang December 18 (KCNA)—Preparations for new year's farming are in full swing in the Korean countryside.

Agricultural working people across the country are these days putting efforts into spreading humus soil over fields, finding reserves for increased grain production in raising the fertility of fields. They had carpeted more than 84,900 hectares with humus soil as of December 16, taking the country as a whole.

The rural communities in Sunan District, Pyongyang, and Sinuiju City, North Pyongan Province, have already carried out their yearly plans of spreading humus soil at more than 50 percent. When the paddy and non-paddy fields are carpeted with humus soil as required by the chuche farming methods, more than 8 tons of grain will be reaped from each hectare.

Tilling, compost production, preparation of materials for rice-seedling beds and water storage are being pushed forward assiduously in the countryside.

According to data available, tilling and compost and humus soil production have been carried out at 60 percent and securing of materials for rice-seedling coldbeds such as wooden supports, rods, vinyl chloride sheets and straw has reached the 30 percent mark across the country.

Meanwhile, reservoirs and irrigation ponds are being filled with water and waterways cleaned.

Guidance for Training Party Workers Viewed

SK1812115090 Pyongyang KCNA in English 1030 GMT 18 Dec 90

["Highly Important Guideline Indicating Way of Improving and Strengthening Training of Party Officials To Meet the Requirement of Developing Revolution"—KCNA headline]

[Text] Pyongyang December 18 (KCNA)—NODONG SINMUN today dedicates an article to the 30th anniversary of the publication of "Let Us Train Active Party Workers", a historical talk of the great leader President Kim Il-song with teachers of the Kim Il-song Higher Party School (Central Party School then) on December 18, 1960.

The author of the article says:

The great leader Comrade Kim Il-song in the work put forward a highly important guideline to train active party workers in conformity with the demand of the development of the party and the revolution.

The work gives a comprehensive exposition of the theoretical and practical questions arising in training active party workers including the question of teaching a working knowledge combined with the reality, the question of teaching the methods of work with people and the method of writing reports and articles of various forms needed for party work and the question of educating students to think and act as intended by the party against flunkeyism.

It is a historical work which comprehensively expounds the guideline which should be always held fast to and thoroughly implemented in the training of party officials.

The great leader Comrade Kim Il-song said:

"The reality of today when socialist construction is going on briskly demands a greater number of active party workers. In order to train many active party officials in keeping with the developing reality, it is necessary to radically improve the educational work of the central party school."

The work lays special stress on the need for teachers and students of the party school to oppose flunkeyism and think, breathe and act as intended by the party.

In order to make the teachers and students of the party school think, breathe and act as intended by the party at all times, it is necessary to promptly inform them of the party's policy and intention so that they may have a clear understanding of the party's policy and intention and, on its basis, analyze and judge all the problems raised and wage an uncompromising struggle against the slightest elements and wrong phenomena which are contrary to the party's intention.

Indeed, the idea and theory of training active party workers which was put forward by the great leader Comrade Kim Il-song in the work is a unique theory which comprehensively expounds from a new angle the questions of principle in the training of the party hardcores of the working class on the basis of the immortal chuche idea, and it is a precious ideological wealth which should be thoroughly applied in the building of a revolutionary party of chuche.

The idea and theory indicated by the great leader in the work has been further developed and enriched and brilliantly applied under the wise guidance of dear Comrade Kim Chong-il who is upholding the revolutionary cause of the great leader.

In the past period the higher party school under the guidance of the party has trained a large number of active party workers prepared politically, theoretically and practically through the educational work and, thus, made a great contribution to consolidating and developing our party into a revolutionary party of chuche type and enhancing its militant function and role.

The brilliant successes and feats made in the training of party officials clearly prove the revolutionary essence, validity and great vitality of the chuche-orientated idea of training party cadres which was put forward by the great leader, and show that the party ranks can be consolidated and its leadership role be enhanced in every way to energetically advance the socialist construction along a straight path only when the working-class party adheres to the training of party cadres in party building as an important work and constantly improves and strengthens it.

Writers Group Publishes Kim Il-song History

SK1812112090 Pyongyang KCNA in English 1011 GMT 18 Dec 90

[Text] Pyongyang December 18 (KCNA)—The April 15 writing group in Korea has created and published many full-length novels based upon the revolutionary exploits of the great leader President Kim Il-song.

Under the guidance of the Workers' Party of Korea the group represented the history of the revolutionary activities of President Kim Il-song covering more than half a century in grand full-length novels in the form of the cycle of novels of historic records.

Dear Comrade Kim Chong-il has taught:

"The respected leader Comrade Kim Il-song is a paragon of great revolutionaries and great communists, who has been fighting all his life with single-hearted devotion to the sacred cause for the revolution and the people."

He has pulled through rough storms of revolution, experiencing many bitter trials, only for the country and the revolution, the working class and the people, in the long period up to date since he embarked upon the road of the revolution in his early years."

The cycle of novels portrays on the basis of historical facts the personality of President Kim Il-song as a great thinker, statesman, strategist and man, thus emphasizing that the Korean revolution could be successfully pioneered and has been able to advance along a road of victory only under the guidance of a great leader, with him held in high esteem.

The cycle of novels is divided into two parts—the period of the anti-Japanese revolutionary struggle and the post-liberation period.

The part dealing with the period of the anti-Japanese revolutionary struggle consists of 17 volumes. Fifteen volumes have been published and the remaining two are being elaborated.

In the full-length novels "The Anchor Heaved Up" by Kim Chong, "Dawn of Revolution" and "The Milky Way" by Chon Se-pong the cycle of novels deal with the history of the revolutionary activities of the great leader from 1925 to 1930, the period around the historical Kalun meeting at which he put forward the chuche-based line of the Korean revolution after he set out on the road of the revolution.

The cycle of novels forms a linkage as a literary work with the full-length novels "The Land Is Green" and "Spring Thunderstorm" by Sok Yun-ki on the history till the time when the great leader advanced the original policy of founding the anti-Japanese guerrilla army and organised the anti-Japanese people's guerrilla army on April 25, 1932, "The Year 1932" by Kwon Chong-ung, "Spring at the Guerrilla Base" by Yi Chong-yol and "Perilous Way Out" by Pak Yu-hak dealing with the revolutionary activities till the historical Nanhutou meeting (February 1936), "At the Foot of Mt. Paektu" by Hyon Song-kol and Choe Hak-su, "Amnok River" by Choe Hak-su, "Great Love" by Choe Chang-hak, "Unforgettable Winter" by Chin Chae-hwan, "The Arduous March" and "Tuman Kang Area" by Sok Yun-Ki and "Grim Battlefield" by Kim Pyong-hun on his revolutionary activities in the second half of the 1930s.

"Lake Chon" and "The Great Event", the full-length novels which are being elaborated, are based on materials of the revolutionary history of the great leader when he led the struggle to win the final victory in the anti-Japanese revolutionary war. These novels will close the part of the cycle of novels dealing with the period of the anti-Japanese revolutionary struggle.

The writing group has registered nice achievements in the creation of the works on the post-liberation period following the creation of the works on the period of the anti-Japanese revolutionary struggle.

The stage of the newly published full-length novel "The Brilliant Morning" by Kwon Chong-ung is set against the background of the time from the year the country was liberated to September of the following year. It represents the undying revolutionary feats of the great leader in educating and remoulding old intellectuals and building a huge army of new native cadres.

The full-length novel "Summer of 1950" by An Tong-chun deals with his feats in driving back the armed invasion of the U.S. imperialists and leading the counter-offensive of the Korean People's Army to a shining victory.

According to Chin Chae-hwan, deputy director of the writing group, brisk is the creation of the cycle of novels on the post-liberation period. Among those works are the full-length novel "Everlasting Spring Song" (tentative title) telling about the historical land revolution that gratified the age-old desire of the Korean peasants for land, the full-length novels "Triumphant Return", "Blood" and "Impregnable Fortress" (tentative titles) dealing with the building of the party, the state and the armed forces after the liberation of the country and "The Strength of Korea," "Height 1211" and "Victory Is in Sight" (tentative titles), the full-length novels the stages of which are set against the background of the period of the great Fatherland Liberation War.

The long novels "Everlasting Spring Song" by Chon Se-pong and "Impregnable Fortress" by Chin Chae-hwan will shortly be published.

The cycle of novels that give a graphic expression of the revolutionary traditions of the Workers' Party of korea, the most valuable wealth of our revolution, serve as precious textbooks of life for establishing a revolutionary world outlook and outlook on life among the people for their high ideological and artistic value.

The April 15 writing group that has released many good works loved by the people is one of the most excellent writing collectives of the DPRK.

It has a powerful creative unit of competent writers who won "Kim Il-song Order," the supreme order of the country, and "Kim Il-song Prize", and promising young writers.

Increases in Power Production Reported

SK1712152490 Pyongyang KCNA in English 1458 GMT 17 Dec 90

[Text] Pyongyang December 17 (KCNA)—Power production is increasing in Korea.

According to data available at the Power Industry Commission, the power production had increased 6 percent by the end of November this year compared with the like period last year. 26,400,000 more kwh of electricity has been produced than in the corresponding period of last year during the first 10 days of December.

Workers of the Supung power station carried out their yearly plan by the end of November by operating the generators at full capacity and controlling the equipment effectively.

They increased the power output by 164 million kwh compared with the same period last year.

The Hochonoang and Changjingang power stations fulfilled their yearly plans respectively at 107.1 and 105 percent.

Medium and small power plants have carried out their yearly plans of power production and are these days topping their daily quotas by 25,000 kwh.

South Korea

Foreign Minister on Moscow Visit's Impact

SK1812044090 Seoul KBS-1 Television Network in Korean 1200 GMT 17 Dec 90

[Interview with Foreign Minister Choe Ho-chung by Korean Broadcasting System, KBS, anchorman Pak Song-pom from the KBS studio on 17 December—recorded]

[Text] [Pak] Your activities during the visit to the Soviet Union were impressive. I think that the ROK-Soviet summit talks must have discussed extensively a concrete structure for peace and security on the Korean peninsula and Northeast Asia in general. How do you think this issue will be handled?

[Choe] The two leaders held tete-a-tete talks for as long as two hours. As you have just said, the summit talks mainly discussed the Korean peninsula and Northeast Asian problems. The Soviet side, which had always heard stories from the North Korean side, has a new understanding of our realistic, reasonable policy directives. I think this is very important. President Gorbachev said that at this time when Germany has been unified, the reunification of the Korean peninsula is not an illusion. He also said: To achieve reunification, the sides must, first of all, recover mutual confidence and end military confrontation. Based upon this, the sides must achieve peaceful, democratic reunification. The Soviet Union is willing to extend positive cooperation in this process.

I think that this was a big, epochal achievement. I think it very important that the two leaders were of the opinion that a solution to the Korean peninsula problem will lead to peace and stability in Northeast Asia and the Asian and Pacific region in general.

[Pak] I presume that the ROK-Soviet summit talks will exercise various influences upon our foreign policies. What influence do you think the summit talks will exercise upon our efforts to improve relations with China?

[Choe] I expect that China, too, will have a new understanding of our country's international position and will decide to make more positive efforts to improve relations with us, instead of hesitating or assuming a prudent attitude as it did in the past. I also expect that current relations—in which trade representative offices were exchanged—will develop into formal diplomatic relations in the near future. I also expect, with caution, that a more favorable environment will be promoted for our admission in the United Nations.

[Pak] The ROK-Soviet foreign ministerial talks were held the day after the ROK-Soviet summit talks. I know that follow-up measures were discussed extensively. Would you tell us approximately when President Gorbachev will visit the ROK and how strong a regret Foreign Minister Shevardnadze expressed over the 25 June war and the downing of the Korean Airline [KAL] plane?

[Choe] During the visit to the Soviet Union, our president again invited President Gorbachev to the ROK. President Gorbachev readily accepted this invitation and said that it is not desirable to pay a visit at too late a date. Therefore, I would like to hold a further discussion to ensure that he will pay a visit at the earliest possible date next year. I also invited Shevardnadze to the ROK. I also think it's good for him to visit the ROK to prepare for President Gorbachev's visit. In New York last September, the two of us signed and released a joint statement on normalizing relations. During the talks this time, Foreign Minister Shevardnadze said that, from a humanitarian standpoint, the Soviet Government and its people think the 25 June war and the downing of the KAL plane very regrettable and heart-rendering because many innocent lives were sacrificed. We agreed that such an incident should not take place again and that, based upon this understanding, the two countries must develop new future-oriented mutual relations.

[Pak] Did you think that his was an apology on a governmental level?

[Choe] Because an apology was made during the official foreign ministerial talks, we accept this as an official apology.

[Pak] Thank you.

[Choe] Thank you.

No's Soviet Visit To Expand Economic Cooperation

SK1812005290 Seoul THE KOREA TIMES in English 18 Dec 90 p 8

[From the "News in Review" column by Economic Editor Han Kon-chu: "No's Moscow Visit Opens Doors for Enhanced Economic Cooperation"]

[Text] On the occasion of President No Tae-u's official visit to Moscow, various institutional barriers which blocked expanding economic cooperation between Korea and the Soviet Union will likely be brought down.

In Moscow, last Friday Korea and the Soviet Union signed four agreements on trade, scientific and technological exchanges, investment protection and waiving of double taxation. With these "safety-valve" agreements, Korean enterprises will become more active in advancing into the Soviet Union, setting up the framework for promoting economic relations between the two countries.

President No and Soviet President Mikhail Gorbachev supported their businessmen's desire to deepen effective and mutually beneficial cooperation in economic sectors. Economic cooperation between the two countries can be largely divided into four sectors—investment, resources development, trade and advanced science technologies.

One of the areas holding the most potential for economic cooperation between Korea and the Soviet Union are Siberian development projects. Siberia has bountiful natural resources such as oil, natural gas, timber, and fishery products. In the case of exports of these resources after processing, joint ventures between the two nations are expected to yield high returns.

Trade between the two sides grew rapidly during the latter half of the 1980s, surpassing $100 million in 1985. Two-way trade reached the $600 million level last year, and is expected to amount to $1 billion this year.

In view of the fact that the merchandise trade structure between Korea and Soviet Union complement each other, the sky is the limit for further trade expansion. Korea is capable of supplying the Soviets with various consumer goods and also has the ability to provide it with machinery and equipment to produce such goods. Korea businesses are keenly interested in the joint development of natural resources and such infrastructure as roads, ports and housing.

Soviet and Korean enterprises can enter into joint-ventures to build factories and collaborate to manufacture consumer goods. The two countries could also work together to commercialize various Soviet high-technologies or utilize natural resources to manufacture commodities for export on the world's markets.

Economic analysts have assessed that if Korea's production and applied knowledge are combined with Soviet advanced science technologies, it will greatly contribute to the economic development of both countries. Technical cooperation, if both countries succeeded in developing high power practical technologies, will open the door to those nations selling highly-sophisticated technologies in the international tech market, experts say.

However, economic cooperation with Soviet Union is not necessarily a bed or roses. Some analysts are pessimistic over the effectiveness of such agreements on reciprocal protection of investments and avoidance of double taxation, saying that it will take considerable time for them to take hold due to the current instability in domestic politics, along with the Soviet's imperfect legal system.

And also collecting revenues for export commodities is reportedly not easy. The Soviet currency the ruble is inconvertible and trade with the Soviet Union must be made in hard currency. To solve the shortage of consumer goods, the Soviet Union expanded the import of goods, aggravating its foreign exchange situation. It has been reported that, as of the end of September this year, the Soviets owed $50 million in export commodities to Korean enterprises.

Trade with the Soviet Union is being done using the CAD (cash against documents) where payments are made two or two three months after shipment, rather than transactions based on letters of credit (L/C).

Barter trade, aimed at reducing the risk burden, is not welcomed by some entrepreneurs. Without government assistance, the disposal of such imported raw materials as pig iron, timber, crude oil and minerals does not run smooth. For example, imported pig iron should be bought by Pohang Iron and Steel Co. and coal by Korea Electric Power Corp. But those companies already have separate purchasing programs. Accordingly, many enterprises look to government's intervention of import items through compensation trade.

Anyhow, the Soviet Union is seeking now to replace the hardened system of its past with a fresh and innovative system. As perestroyka is changing the world anew, the new revolution will surely lead both countries to a bright future of progress and prosperity. One can only hope that perestrokya will reap great rewards and that Soviet-Korean relations will develop in a direction conducive to the success of perestroyka.

Unemotional View of Ties With USSR Urged

SK1812010990 Seoul KOREA DAILY in English 18 Dec 90 p 1

[Editorial: "For Seoul, Can Moscow Replace Washington?"]

[Text] President No Tae-u's completion of his state visit to Moscow has opened a new chapter in Seoul-Moscow relations, ending the years of cold war confrontation between the two sides. We hope our two countries will continue to develop mutual ties on a reciprocal basis, meeting the contemporary international demand for increased peace and cooperation among nations.

Genuine cooperative ties between nations can be strengthened only when the countries involved are cool-headed enough to avoid dangers arising from fleeting sentiments and emotions. When our judgment loses its sense of proportion, relations between states can quickly alternate between joy and sorrow, and thus deteriorate again to an uncomfortable state.

In fact, the diplomatic history of the world still testifies to the truth of what Joseph Stalin once said: "Sincere diplomacy is no more possible than dry water or wooden iron." Diplomacy has even been called "the patriotic art of lying for one's country."

It is out of this awareness that we need to critically evaluate our burgeoning ties with the Soviet Union. Without critical understanding of the nature of our new relationship among both government policy-makers and the people, we will never succeed in developing mutual ties on a constructive basis. Misunderstanding leads only to mishaps.

Let us now ask ourselves in a composed manner what the Soviet Union really is to us. When the Seoul Olympiad opened two years ago, we found ourselves giving a storm of applause to Soviet athletes entering the Chamsil Main Stadium. That sentimental scene stood out in sharp contrast to a mass rally which was spontaneously organized here to denounce the Soviet downing of a civilian KAL airplane, internationally condemned as a "wanton act," only five years before. It also formed a striking contrast to frequent student demonstrations here in which the participants are screaming "Yankee go home!"

The crucial point we should not miss in this context is that it is the United States that has been behind us all the way as our most important ally and partner, economically, politically and militarily.

The danger that our government, people and media should all watch for is that we will get nothing from Seoul-Moscow relations if we think they can develop at the expense of our time-honored bonds with the United States. To the contrary, we can expect prospering relations with Moscow only if our ties with Washington continue to go smoothly. Both the government and people are thus called on to make equally important efforts to resolve such problems as trade friction with Washington and anti-Americanism.

It is in fact safe to say that without American support, it would have been very difficult to achieve the international status that we enjoy today. It is also equally true to say that our current international strength has played a critical role in speeding up the development of our relations with Communist countries including the Soviet Union. What we are underlining here does not reflect any intention to compare the net importance to us of these two foreign countries. We only want to emphasize the need for the government to be straightforward about what our people have to be told.

We believe it is a balanced statement to say that the Soviet Union has just become our partner in the wake of the recent wave of detente which culminated in the collapse of Eastern European communism. Eastern European countries, including the Soviet Union, could no longer afford to maintain their dying systems and must drastically reform to ensure their own vital interests are better served.

In other words, it was a natural conclusion that the Soviet Union had to correct its conventional ties with countries favoring different political ideologies and economic structures for its own survival when its system faced limits.

In this sense, we do not believe the recent Seoul-Moscow rapprochement is entirely the result of our government's "northern policy," while at the same time we do not underestimate the importance of that policy.

While seeking constructive relations, we are keenly aware of the necessity to bury our unhappy past. But it is too early to regard our new, untested partner as one of our traditional allies, let alone a savior of this country.

If we cannot control the crude sentimentalism within ourselves, it will definitely be a critical folly on our part. The past Soviet influence on the Korean peninsula, marked by such tragic incidents as the Korean War and the downing of the KAL plane, brought us nothing but unbearable national pain and anguish. The leadership of a nation, when faced with both challenges and opportunities, must show coolness, not heat.

Daily Views Economic Cooperation With USSR

SK1812010690 Seoul THE KOREA TIMES in English 18 Dec 90 p 6

[Editorial: "Astute Economic Ties With USSR"]

[Text] President No Tae-u's visit to Moscow for a summit with his Soviet counterpart Mikhail Gorbachev, during which was signed the so-called Moscow Declaration, is of great significance not only politically but also economically. Rapid improvements in relations between South Korea and the Soviet Union have been prompted by high expectations of both Nations that economic cooperation will allow them to meet each other's needs and complement their economies.

In their joint declaration issued on Thursday, the two Presidents supported the willingness of businessmen of both sides to deepen an effective and mutually beneficial cooperation in economy, trade, industry and transport, to exchange advanced technologies and scientific achievements and to develop joint entrepreneurship and new forms of cooperation, investing in mutually beneficial projects.

As such, ways to enhance economic cooperation were announced in the Moscow Declaration. In addition, President No said while in the Soviet Union that his government will take positive steps to help the Soviet economy. In particular, he promised long-term credit loans for Korea-Soviet joint ventures to build consumer goods factories in the Soviet Union.

The bilateral economic cooperation was forecast previously in September when Seoul and Moscow initialed their agreement on trade. Along with the Moscow Declaration, the two governments on the same day concluded four bilateral agreements on trade, avoidance of double taxation, investment protection and cooperation in science and technology. The trade agreement contains all key regulations of the General Agreement on Tariffs and Trade (GATT) and will enable Korea to trade with the USSR in a mutually secure and beneficial way. The investment protection accord sets the basis for Korean firms operating in the Soviet Union to be equally treated with Soviet businesses and to remit home principals, interests and returns of business ventures in the Soviet Union.

With the conclusion of the four "economic agreements" between the countries, details of their proposed economic cooperation are expected to be outlined in working-level negotiations through next month. Out of the $3 billion promised in economic aid, Korea is likely to extend $1.9 billion in long-term credit, $0.6 billion in money to be used by the Soviet Union to pay for imports of consumer goods from Korea and the remaining $0.5 billion in cash loans.

The distribution of the projected $3 billion among participating business concerns, and the selection of business projects in the Soviet Union are expected to be determined within a couple of month. However, we should take a wait-and-see attitude toward concrete Soviet proposals which will be presented in the forthcoming negotiations, slated for next month. This is because the Soviet side did not formally mention and proposals for Korean economic cooperation during the No-Gorbachev summit in Moscow.

Hyundai and other Korean business groups are greatly interested in the ambitious development of timber and underground resources, including natural gas and coal, in Siberia. They also plan to export manufactured consumer goods in short supply there and to build consumer goods producing factories in the Soviet Union, in particular.

In the course of materializing bilateral economic cooperation and business ventures in the socialist superpower, we need to closely study Soviet domestic laws and business practices affecting foreigners.

Keen attention must be paid to the fact that there have been many instances in which Soviets have been apt to overestimate the value of the land and resources allowed for foreigners' use, while underestimating the technical knowhow and equipment provided by foreign partners. In this regard, astute measures are needed to promote a wide-ranged economic cooperation for the joint prosperity of both nations in the long run.

Daily Comments on Shevardnadze's Remarks

SK1812115190 Seoul TONG-A ILBO in Korean 17 Dec 90 p 2

[Editorial: "The Soviet Union's Expression of Regret"]

[Text] It is natural that when diplomatic relations are established between states and when their relations are to be further developed, the unfortunate incidents of the past should be resolved. For this reason, Korea demanded that Japan apologize for its colonial rule and that the Soviet Union express its attitude on its past involvement in the Korean war and the downing of the Korean airliner.

In answering this demand, the Soviet Union used a very indefinite expression "opening a new chapter of history" through the "joint Moscow declaration," which assumes the nature of a basic agreement between the two countries. Soviet Foreign Minister Shevardnadze said: "The ruler at the time was involved in the 25 June war. The incident of the shooting down of the Korean airliner has an aspect of invoking the right of self-defense, but it cost innocent lives. I feel that this is lamentable and regrettable."

Soviet Foreign Minister Shevardnadze's remarks are more specific and direct than the joint Moscow declaration. In connection with the Korean war, he added: "The war broke out amid the cold war situation in the wake of World War II, but this situation should never be repeated." He expressed "regret" over the downing of the Korean airliner, but only recognized the role of the Soviet Union in the Korean war and committed himself to prevent the recurrence of a war.

The "ruler at the time," to whom Shevarnadze referred, can be interpreted as indicating Stalin, who supported North Korea's Kim Il-song. Probably because the Soviet Union, which unhesitantly supplied North Korea with a colossal amount of weapons during the Korean war, indirectly participated in the war, although it did allow Soviet pilots to be directly involved, it failed to use such a direct expression as "regret." Because of the Soviet foreign minister's explanation, however, it has been officially confirmed that the Korean war was ignited as a result of North Korea's preparations for southward invasion and the Soviet Union's assistance.

North Korea has, so far, argued that the Korean war originated from South Korea's northward invasion and, therefore, that it waged the war to liberate South Korea. However, former high-ranking North Korean officials, such as Yi Sang-cho and Yu Sang-chol who live in the Soviet Union, exposed the falsity of North Korea's allegation. In addition, the Soviet Union has made it clear through its foreign minister that the war was chosen by the ruler at the time. In consequence, Kim Il-song's "myth of northward invasion" has been stripped bare bit by bit by the Soviet Union which supported him.

The government seems to accept the Soviet Union's expression of its attitude as an official explanation of the the Soviet Government's stance. In particular, it appears to accept the words "regret" and "feel that it is lamentable" as an "expression of apology" for the shooting down of the Korean airliner. However, there is one point worth noting. What the Soviet foreign minister said was conveyed by the Korean foreign minister after the Korean- Soviet foreign ministers' talks. We think it strange that the Soviet foreign minister did not make the references directly.

Although the attitude of the Soviet Union was not explicitly expressed in the joint Moscow declaration, with its nature of a basic treaty, he could have avoided the oblique method of indirectly clarifying his stand through the Korean foreign minister. Although the Soviet side explained that the shooting down of the Korean airliner had an aspect of invoking the right of self-defense, this incident of sacrificing innocent civilians is still subject to denunciation. Therefore, we will watch another occasion—Gorbachev's visit to Korea.

Deferred Import Payments Plan for USSR Noted

SK1812022390 Seoul YONHAP in English 0200 GMT 18 Dec 90

[Text] Seoul, Dec. 18 (YONHAP)—South Korea is looking at ways of selling the Soviet Union much-needed consumer goods on a deferred payment basis, which will probably mean that Korean banks will pay the exporters and then collect from a Soviet bank later. The basic framework was established with the signing of four economic cooperation accords on trade, double taxation avoidance, investment guarantee and science and technology cooperation while President No Tae-u was in Moscow last week.

The government will study various ideas and then discuss them with the Soviet Union when economic delegation visits Seoul next month, according to government sources. One proposal being considered is to sign a formal agreement between the Korea Export-Import Bank and its Soviet counterpart, Vneshekonombank, to support deferred-payment exports. The Korean Bank would pay for the exports and the Soviet bank would reimburse it after six months or a year.

The government may encourage Korean businesses to participate in joint ventures with Soviet firms to convert Soviet military factories to the production of consumer goods. Plant exports and large joint ventures for the expansion of infrastructure facilities and resources development will receive close and careful consideration, but not until the 3 billion U.S. dollar loan to the Soviet Union under discussion is finalized, the sources said.

U.S., Japan To Be Briefed on No's USSR Trip

SK1812062990 Seoul YONHAP in English 0606 GMT 18 Dec 90

[Text] Seoul, Dec. 18 (YONHAP)—South Korea is to send special envoys to the United States and Japan to brief government leaders of those countries on President No Tae-u's trip to the Soviet Union and summit with President Mikhail Gorbachev.

Kim Chong-hwi, presidential assistant for foreign and national security affairs, will go to the United States but it is not known who will be sent to Japan.

Cho Sun Interviewed on U.S. Trade Relations

SK1712073790 Seoul HANGYORE SINMUN in Korean 15 Dec 90 p 4

[Interview with former Vice Minister Cho Sun, who is economic envoy of President No Tae-u, by Chong Yon-chu and other correspondents in Washington on his 13 December meeting on Korea-U.S. trade relations with officials of the U.S. Administration, Congress, and academic circles]

[Text] [Chong Yon-chu] What is your specific mission as presidential envoy in Washington?

[Cho Sun] Trade friction between Korea and the United States has grown in recent days. Our government officials are aware that the relations between the two countries should be improved. In order to do this, our government should inform the United States that protectionism is not our country's basic foreign economic policy, but that our country will support the free international economic order and adhere to it. This is the primary mission of my visit to Washington now.

[Chong] You met U.S. Trade Representative Carla Hills this afternoon. In connection with the Uruguay Round negotiations, did she tell you of her dissatisfaction with them?

[Cho] She said that the entire world would approve them at the Geneva meeting, but that they failed because of the disapproval of the European Community, Japan, and Korea.

[Chong] What did she want from the Uruguay Round?

[Cho] It seems to me that she wanted us to make a political decision.

[Chong] Did you propose a specific plan on it?

[Cho] I am not in a position to propose one.

[Chong] After your resignation from the post of prime minister, the new economic team that assumed office changed its policy by declaring that it will promote economic growth. Because of this, the U.S. Government officials seem to be deeply aware that Korea may adhere to protectionism once again as it did in the past. What do you think you can do to persuade the U.S. side ?

[Cho] It is possible for us to inform them of the Korean situation. But, we cannot make them change their knowledge of Korea only by talks. We should show them our will through the practical acts. In addition, it is necessary for us to build confidence based on acts.

[Chong] In connection with the trade friction, what then do you think that the people of the United States think of Korea ?

[Cho] During my stay in Washington, I met many people from the adminstration, congress, business circles, and the press. One thing surprised me. It was that the people of the United States complained with one voice about the trade friction with Korea.

[Chong] While contacting the officials of the U.S. administration, you will learn something. What do you think U.S. Government' position to take measures against Korea will be? For example such as retaliation steps...

[Cho] There were some people who said that the U.S. Government should take retaliatory measures against Korea. The retaliatory measures themselves are not the problem, but the problem is that the generally wrong perception that the officials have of Korea may eventually play an unfavorable role for Korea's interests.

[Chong] The consistency of a policy is important. Confidence, which has been built on the basis of a policy, is also important in international economic relations. What do you think of it ?

[Cho] It is important to establish relations according to the international principles. Judging from this point of view, we should not provisionally respond to the United States' demand according to the circumstance. I think that our government should generally reconsider its policies such as the trade relations between Korea and the United States and the Uruguay Round negotiation, and that it needs to establish the overall direction and plan to deal with the trade issues. It seems to me that now is a very important time.

Reporter's Reaction to Ambassador Gregg's Letter

SK1812123290 Seoul CHUNGANG ILBO in Korean 18 Dec 90 p 5

[By political reporter Chon Yong-ki: "Gregg's Unconstitutional Demand for Labor Costs"]

[Text] U.S. Ambassador Donald F. Gregg sent Foreign Minister Choe Ho-chung a letter of protest and demand on 16 December.

The letter said, "I have read in today's newspaper that approximately $50 million, which was projected to assist in paying the wages of ROK workers employed by the U.S. Armed Forces in the ROK has been taken out of your 1991 state budget." He then requested that this amount be restored to the budget.

He claimed this although the ROK Government cannot pay wages to the workers according to the current Status of Forces Agreement (SOFA), since work is underway to revise SOFA and the two sides are discussing ways to jointly share the labor cost. Then he stated that "we urge that the ROK Foreign Ministry intensively work with the National Assembly so that the $50 million can be restored to the budget."

We cannot blame a diplomat for making efforts in the interest of his country, however, according to diplomatic experts, the terms "intensively" and "urge" are among the strongest diplomatic expressions.

Ambassador Gregg's letter may not be described as interference in our internal affairs, but it is clear that the letter demands that we revoke the decision of the National Assembly, a demand which is unconstitutional.

This is because Defense Minister Yi Chong-ku, speaking at the National Assembly, said, "We promised the United States at the recent ROK-U.S. security meeting that we would pay the ROK workers' wages from our budget, assuming that the revision of the SOFA would come soon." He added, "At this point when the revision has not been made, projecting it into the budget is improper from the constitutional standpoint."

However, the Foreign Ministry, upon receipt of the letter, sent Vice Foreign Minister Yu Chong-ha to the National Assembly Budget Settlement Committee Figures Adjustment Subcommittee, and presenting the letter, the vice foreign minister asked for the cooperation of the lawmakers, saying, "Under the circumstances, we must request your understanding."

Vice Minister Yu on 17 December called up lawmaker Yi Sang-su (from the Party for Peace and Democracy), who described the inclusion of the labor cost in the state budget as unconstitutional since it presupposes the revision of SOFA which is being negotiated and has not been approved by the National Assembly, and requested his cooperation in the effort.

Ambassador Gregg's way of thinking that another country's constitution and due processes can be disregarded in the interest of his country is troublesome, but the Foreign Ministry should deeply reflect its improper attitude of requesting "cooperation" after making a promise which it cannot keep at a meeting between the governments of the two countries.

North To Tap Financial Resources of Repatriates

OW1812120190 Tokyo KYODO in English 1142 GMT 18 Dec 90

[Text] Seoul, Dec. 18 KYODO—North Korean authorities have decided to obligate repatriates, mostly from Japan, to buy petroleum products with foreign currency against a background of serious oil and foreign currency shortages, informed sources in Seoul said Tuesday. The sources said Pyongyang will start the new regulation January 1.

North Korea will have to purchase petroleum products from the Soviet Union with hard currency based on a new trade agreement for 1991 scheduled to begin early in the year, the sources said. The Soviet Union, major oil supplier to North Korea, has so far delivered petroleum products at soft rouble prices.

North Korea apparently faces serious shortage, as it is urgently seeking some 1.2 million tons of petroleum products, the sources said. There are approximately 100,000 repatriates from Japan in North Korea. The North Korean Government has taken a decision to squeeze all the foreign currency from these repatriates after finding out through investigations that former residents of Japan have about 1.5 million yen in savings per household, the sources said.

Government To Form DPRK Economy Study Group

SK1412141490 Seoul TONG-A ILBO in Korean 13 Dec 90 p 2

[Text] The government decided to organize a research committee for the study of North Korean economy to be composed of experts from major research organizations including the Korea Development Institute [KDI] in an effort to expand North-South economic exchanges and to prepare for the reunification. The government will research on full-scale on measures for North-South economic integration and on expenses required for integration, as well as on methods of procurement of such expenses.

This committee will hold seminars on the results of its research in March and April next year and will work out measures for economic integration through study and acceptance of public opinion. The committee will then report on these measures to the government.

According to relevant government organizations on 13 December, the government, by organizing the Research Committee for North Korean Economy (headed by Ku Pon-ho, KDI director), will study the real situation in five domains of North Korea including economic operation; finance and money market; industry and trade; development of nation's land and social welfare, and will work out plans for basic structure of each domain to take place after economic integration.

This research committee will consist of about 30 experts from 14 major national research organizations including KDI and the Bank of Korea, and will conduct joint research. Bureau directors from relevant government economic organizations including the Economic Planning Board, Finance Ministry, Agriculture-Fishery Ministry, Ministry of Commerce and Industry and Construction Ministry, will be members of the supporting committee, and will extend working-level support for the research. Thus, the results of the research will attract the people's attention. It is also expected that the shortcomings as a result of separate research by the different organizations will be overcome.

This committee plans to hold its first meeting in the KDI's conference room on 17 December and to discuss the direction of the research. By completing analysis of the real situation of North Korean economy by January next year, the committee will hold seminars during March and a meeting to announce the results of its research by the end of April.

By going through the course of studying and accepting public opinion, the committee will complete the final draft of plans for North-South economic integration to report this to the government by the end of May. The committee will publish a general report in June or July.

The committee will research the measures for promoting North-South exchanges in-depth, including North-South trade, joint development of natural resources, joint investment for development of tourism industry, direct investment projects, scientific and technological cooperation and support for economic development. Going through study and review of experiences in reunification of East and West Germany and of reunification plan between China and Taiwan, the committee will work out plans for formation of a national economic common body.

This committee will also conduct intensive research on the required expenses for integration and the method of procurement of such expenses for the issue of unemployment and employment; the increased demand for indirect social capital; integration of currencies; social security system; the increased inducement of investment; management of the rights of ownership of land and buildings; acceptance of foreign debts and outstanding contracts and educational system.

Record Trade Deficit With Japan Forecast

SK1712025590 Seoul YONHAP in English 0143 GMT 17 Dec 90

[Text] Seoul, Dec. 17 (YONHAP)—South Korea's trade deficit with Japan will balloon 47.8 percent to to an all-time high of 5.9 billion U.S. dollars this year on a customs clearance basis, the Korea Foreign Trade Association (KFTA) reported Monday. The figure represents nearly threefold the nation's entire trade deficit this year projected at 2 billion dollars.

According to the KFTA report, the deficit was 4.9 billion dollars at the end of October and is likely to break the record of 5.4 billion dollars set in 1986. Exports to Japan totaled 10 billion dollars in January-October, down 9.7 percent from the same 10-month period last year, while imports rose 3.6 percent to 14.9 billion dollars.

KFTA attributed the deficit surge to declining exports to the neighboring country rather than import growth, which was barely half last year's 9.7 percent. Exports had climbed some 50 percent from 1978 and the trade imbalance had been improving, until 1988. Textile exports were 2.48 billion dollars, off 23.9 percent. Steel and metals declined 14.6 percent, electric and electronic appliances 14 percent, machinery 12.6 percent and agriculture, forestry and fisheries products 12.5 percent.

Textile imports hit 599 million dollars, up 10.3 percent, while imports of steel and metals dropped 15.1 percent and of precision machinery 4.7 percent.

Labor-intensive industries held their own, but there was a massive shortfall in the technology-intensive machinery, chemical, electric and electronic sectors. The KFTA report also blamed poor quality, late delivery and the appreciation of the Korean won against the Japanese yen for the bulging gap. The won's value surged 17.3 percent last year and 9.4 percent in the first half of the year against the yen.

Justice Minister Reports 'War on Crime' Results

SK1612035590 Seoul THE KOREA TIMES in English 16 Dec 90 p 3

[Text] A total of 84,816 criminals threatening public security have been rounded up since the Oct. 13 presidential declaration of war on crime, Justice Minister Yi Chong-nam said yesterday. Of them, 378 were organized gang members, 123 drug-related offenders and 891 criminals involved in the underground sex industry. The remaining included murderers, armed-robbers and rapists, as well as petty burglars, Minister Yi said.

He said law-enforcement authorities will do their best effort to arrest by the end of the year a score of syndicated gang leaders who have been posted on the wanted bulletin for blackmail and criminal organization. To combat organized gang syndicates and solve several pending murder cases, the minister said, his ministry needs public support. "Crime victims and witnesses are given full protection in case of reporting crimes to the authorities," Yi noted. He added "their identities will be withheld from the media, if the exposure of their identities pose threats of retaliation from the criminals."

*President No Said To Take Hardline Approach

912C0029 Seoul CHUGAN CHOSON in Korean 21 Oct 90 pp 10-12

[Article by reporter Yi Chin-kwang: "He Is Amending Strategy for the Latter Half of the Presidency, Tightening the Reins To Stop Deteriorations in Power; Sense of Crisis Prompts President No To Change His Ruling Style"]

[Text] **Moves To Bolster Authority of Presidential Secretaries**

In the Office of the President, the senior presidential secretaries meet regularly on Monday every week. Every other week's meeting is presided over by the president.

The 24 September meeting was not the one normally presided over by the president. No Chae-pong, Chongwadae chief of staff, was presiding over the meeting when the word came from the president, unexpectedly, for them to come to Chongwadae's main building where the president has his office. Thus, the meeting was upgraded to one presided over by the president, without warning.

At the meeting, President No Tae-u spoke in an unprecedentedly firm tone about revitalizing the Presidential Secretariat. He had just spent the whole Sunday mulling over the subject, he said emphatically.

President No Tae-u reportedly stressed that an effective conduct of state affairs for the second half of his presidency depends on how confidently the Presidential Secretariat deals with problems. It is also known that the president instructed his senior secretaries that an active Presidential Secretariat might provoke a "small cabinet" criticism against them but they should not worry about such criticism but be bold in managing the overall conduct of state affairs and in urging, pushing and supervising the cabinet.

The senior presidential secretaries saw the president's instructions as suggesting plans to shore up the authority of the Presidential Secretariat and to rule the nation by relying on it for the latter half of his administration. One of them who asked not to be identified said that "President No appeared to be changing his ruling style." "I hope that it is the case," he added, "by all means."

The Chongwadae staff unanimously note that it is their hope that President No will show a stronger leadership. They feel that the president is failing to control bureaucracy as a tough ruler and that deteriorations in power will go out of hand someday.

A Chongwadae source, speaking on condition of anonymity, pointed out that "Of all the presidents in the nation's history, Mr. No is, precisely, the weakest." He observed that the pro-democracy trends inevitably had the effect of restricting the enormous power which the presidents in the past had wielded, and that the system of a single, five-year term which No is serving is working to aggravate the situation for him. Therefore, he said, unless President No changes his ruling style and becomes bolder with the exercise of presidential power by, for instance, using the authority he now has 100 percent, he will have to face some serious deteriorations in his influence with the bureaucratic community.

It is known that people close to President No have lately been advising him to be more resolute with his decision and judgment. They are doing so because the general public still views Mr. No as a waverer rather than a man of decision, they say.

Of late, President No, using evening hours and holidays, has had a series of meetings with confidants who have long been of help to him. Through these meetings, he reportedly renewed his resolve in his own way. It is known that among those he met were Kim Pok-tong, Mrs. No's younger brother, and Kum Chin-ho, the husband of a sister of the First Lady, and Yi Won-cho, an old friend, and that the president at these meetings spoke of his resolution for the latter half of his presidency and sought their advice. He is said to have also met with Kwon Sang-hyon, another old friend of his, to hear his view.

Also, President No, availing himself of evening hours, is meeting with people from various fields to hear their opinions on the course of the administration, according to an informed political source.

One personality, who is known to have met with the president and had a lengthy discussion, reportedly told a person close to him that "President No appears to be firmly determined." Mr No said that he would "do it resolutely" or "make decisions resolutely," the personality said, "and when he did so, he appeared to be expressing a will carrying a greater weight than the words suggest," the personality said.

According to an analysis by a political observer, the decisive event that prompted President No to make up his mind for a change was probably the incident of collective disobedience by Ministry of National Construction [MNC] personnel. At any rate, civil servants represent the largest power base of the ruling force. An administration unable to control bureaucracy can hardly survive. The MNC disobedience case could be an ominous sign for President No who has passed the halfway mark of his term, even though it was touched off by problems relating to MNC's reorganization. The incident indeed signaled a possible direction of future deteriorations in No's power which will inevitably accelerate.

One Chongwadae source said that President No's action in replacing Kwon Nyong-kak as MNC minister and Kang Po-song as minister of agriculture and fisheries can be seen as the first show of his determination to straighten out the bureaucratic laxity through a more resolute exercise of personnel management authority. Also, in connection with the controversial political surveillance by the Defense Security Command [DSC], President No took action with relative promptness, censuring Defense Minister Yi Sang-hun and DSC Commander Cho Nam-pung. In this case, too, the same source said, the president's action should be viewed as reflecting a series of decisions he made to minimize the bureaucratic laxity that is developing rather rapidly.

Another political observer said in his analysis that President No seems to have a sense of crisis. According to this source, the President appeared quite confident with his political management at least when he declared the three-party merger. Nordpolitik was sailing relatively smoothly and the prospects of it marking a major accomplishment to back up his administration were significantly bright. Domestically, too, the rosy prospects were there that the three-party merger would work to consolidate the foundations of his government.

Today, however, the circumstances surrounding the president permit little optimism, when his foreign policy accomplishments such as the ROK-USSR normalization and progress in North-South Korean relations are apt to be obscured by the administration's domestic problems. Especially, the major premise of No's political management strategy for the second half of his presidency—which calls for a focus on Nordpolitik and other foreign policy programs using domestic stability as the springboard—is inexorably headed for a revision due to the confusion on domestic fronts.

In the view of an observer, the three-party merger is, under the present situation, working as a factor burdening President No's foreign policy conduct. It can be said that the decline in the popularity of DLP and the opposition's strong reaction against the three-party merger put a burden on him, dimming the prospects of the second half of his presidency heavily.

According to predictions, the possibility is high of the nation's economic outlook—gloomy as it is as seen in the continuing slump, the instability of prices and the sharp fall of stock prices—putting President No even in a deeper melancholy mood. A majority of economic experts are warning of the possibility of the Korean economy falling into a stagflation next year.

No Equivocal Stance Allowed; Maybe Giving Trusted Persons Power

To make it worse, instability continues to plague the economic life of the citizenry and the public security. The prevailing view is that the present circumstances make it increasingly difficult for President No to honor his pledge to the public that he will secure the political, economic, and social stability and ensure the public security by the end of the year.

In this environment, the opposition camp, which holds the key to political stability, maintains its firm attitude. One can very well see it in PPD President Kim Tae-chung's hunger strike. In contrast, DLP, which should be preoccupied with coping with this situation, is instead engrossed in power games and virtually lost in a maze with no way out.

It can be said that the situation has indeed come to a point where President No is compelled to make a major change in his strategy of political management for the second half of his presidency. It is precisely this situation that brought him the sense of crisis he has now. His frequent meetings with confidants in recent days seem to reflect an attempt to prepare a response to that situation, observers say.

Commenting on the fact that the president has been revealing his firm resolution to those close to him whom he met recently, some observers say that he knows that the imminent developments—which are likely to carry more unfavorable factors than favorable—will require him to be decisive and take resolute steps. What the president did on 24 September—when he summoned to his office the senior presidential secretaries, who were at the moment in a meeting presided over by the Chongwadae chief of staff, and gave them the instructions that the Presidential Secretariat should take the initiative in leading the administration—should be interpreted in that context, those observers say.

Informed sources predict that President No, who was in the past rather unwilling to come to the fore in the conduct of state affairs, will very likely come forward and stand in the van with the positive assistance of the Presidential Secretariat. They also see a highly possible change in the president's posture toward DLP domestic problems—in the past, he tried diligently to maintain a neutral position for himself. They maintain that at a time when the order of power within the DLP is headed for a reshuffle, President No cannot afford to continue his equivocal attitude any longer—the equivocal attitude with which he tried to be nice to everybody.

Change in President No's posture is expected to find expression, first of all, in his exercise of personnel management authority. In the view of observers, it will take the form of appointing to key posts figures with whom he has private relationships one way or another, without being conscious of public opinion. Citing factors for the observation, they say that the circumstances surrounding President No do not permit him to continue to keep accommodating and using people with whom he is not quite comfortable as generously as before.

According to those observers, the appointment of Yi Chong-ku, former Army chief of staff, as minister of national defense, and that of Ku Chang-hoe, commander of the Army Capital Defense Command, as DSC commander should be viewed in the same light. Defense Minister Yi Chong-ku was his junior in the Kyongbuk High School days and DSC Commander Ku Chang-hoe was his chief of staff when Mr No was commander of the 9th Division. Such personal relationships will form the mainstream in President No's personnel management from now on, they say. In other words, their observation is that President No will give to, and place confidence in, people close and loyal to him and thereby try to tighten the reins over the whole ruling force and minimize deteriorations in his power in the latter half of his presidency.

This change in President No's attitude will be demonstrated in one form or another in the course of the regular National Assembly session, which has become even murkier due to the hunger strike by Kim Tae-chung. When it comes, it may give political quarters a general idea of where the second half of the No presidency is headed.

*Stock Market Manipulated by Political Funds

912C0033A Seoul IRYO SINMUN in Korean
28 Oct 90 pp 4, 5

[Article by Kim Chong-hwan: "What Is Behind the Skyrocketing Stock Market?—Rumors Are Rife of Political Forces Intervening To Raise Campaign Funds; Inflow of Funds Continue Also From Big Operators and From Real Estate in the Country Owned by Koreans in Japan"]

[Excerpts] Stock prices are on the rise. Lucky Fire Insurance stocks, worth 14,700 won per share on 17 September, soared more than 50% to approximately 22,000 won per share as of late October. Considering the economy is plagued by the worst slump ever, the increase is awesome. Some people are buying in the shares—whoever they are. While a wait-and-see mood lingers on and even people of the Securities Stabilization Fund are inclined to sell rather than buy, the customer deposits have increased by 400 billion won in the past two weeks. The public sees the 400 billion won as the money from middle-class operators with some sensitivity to a bullish market. In their view, the big operators' money has already been placed in the market. Then, who are those big operators? How much have they put in? While the market is on a sharp upturn, no one has so far come up with convincing explanations. Rumors are rife—mostly interspersed with noneconomic factors—about an influx of political funds amounting to 1 trillion won from the ruling camp and an inflow of 500 billion won from a certain religious foundation's Northern project fund. There are also rumors of a turf war triggered by a change in the Hyundai Group's succession plan, an inducement of speculative funds from big operators of the underground economy, and of a government plan to raise the composite index to 850 or so by the end of this year. Nevertheless, no one can yet produce with confidence a new-era theory that explains today's bullish market. [passage omitted]

A Mr. Kim, one of the two advisers for Mr. K, a former high official who is now one of the big operators, said: "The Korean stock market is basically a controlled market and, structurally, the prices are dependent on underground funds. As the basketball referee can influence a game by 20 to 30 points, MOF (the Ministry of Finance) can handle 200 to 300 points as it pleases. Everybody knows that.

"The government's 12 December measure toward the end of last year made possible the recovery of 6 trillion won at one stroke through the purchase of stocks. The measure indeed made people realize the MOF power, although it ended up giving big operators of the political and private sectors an opportunity for escape. Now the burden then placed on securities firms and investment companies is acting as a boomerang. In August, MOF figured that investment companies and securities firms were on the verge of either dishonoring payment or drawing in big operators' funds again.

"The 30 August measure, seen as containing nothing particularly positive, caused stock prices to fall 20% on the day it was announced. Content-wise, however, it was a significantly substantial measure.

"We would rather raise our guard when the government turns to a shock treatment as if to rescue the market. The current trend is that through the appropriate treatment, the market that has bottomed out is turning to a rebound in a natural way.

"In addition, it should be noted that the political agenda should be made visible in the first half of next year at the latest. Stock prices should rise to a certain level before the political agenda is made visible and those who prefer to cash in should be given an opportunity to do so. Runners for the supreme power are likely to get into the race this winter, be it an election under a cabinet system or a direct presidential election as before. Furthermore, the fact that the ruling camp has yet to pick up its presidential candidate could work as a plus factor for an upturn.

A Time To Raise Political Funds

"They will soon be required to raise the basically needed funds, although how much the economy will improve still remains an unknown factor.

"If the economy should turn to an upswing, it could lead to an unimaginably big boom. Even if economic factors fail to materialize, there will come an ample opportunity for investors who have been unlucky so far to sell their shares at no losses. It should be that way to promote circulation.

"Also, overseas funds for real estate keep coming in as the stock market liberalization draws near. If the government is to protect farm products in the Uruguay Round of the GATT multinational negotiations for the sake of the upcoming elections or whatever, what would it have to offer in return? In our view, it is the moving up of the liberalization of the nation's capital market."

This could be a comment intended for media to deliberately drive up the share prices already on the rise.

However, his words that the market should be boosted to a certain extent by noneconomic, political factors are significantly persuasive.

The other man of the team, a Mr. Choe, added: "Our opinion is that when PPD quits its current boycott and returns to parliament, it is practically a signal for the start of campaigns for the 14th general election and the presidential election. We believe that the ruling and opposition parties have reached accord to a certain extent concerning assemblies under the local autonomy system, leaders of organizations, the general elections, and presidential elections. The time has come for both sides, the ruling and opposition, to raise funds.

"Opposition Leader Has 15 Billion Won in Concealed Fund"

"It is said that the opposition camp leader has approximately 150 billion won in a concealed fund from the previous presidential election campaign, and that Mr. P. of the ruling camp and Mr. K., a political outsider, also have about 500 billion won each in funds tucked away. While I do not believe that those figures are absolutely correct, they could be close to facts. At any rate, a person needs a sizeable sum of money if he wants to do something big privately or publicly. Should he wait until the last minute, it will be difficult for him to raise the required fund in full, either from individuals or businesses.

"When political groups' funds begin to move, big operators in the private sector, familiar with the groups' obvious targets, would jump to their feet. Then come individual households whose funds run up to tens or hundreds of millions of dollars.

"An interesting point is that the economy is likely to improve as such noneconomic factors come to push up stock prices. Currently, businesses are experiencing serious financial difficulties. Experiences in recent years made them accustomed to obtaining free money from the stock market by issuing bonds of debt or new shares, or through public offering of stocks. At present, however, as a result of the decline in share prices, the ceiling of funds a corporation is allowed to raise in the stock market, by issuing new shares or through public offering of stocks, is set at 300 billion won.

"I believe that this problem will gradually be resolved should the stock price index reach 750 or higher. When funds begin circulating through businesses, the interest rates will fall and the manufacturing costs will come down. The question is an election-season inflation; however, I feel that when the market comes to life, it will absorb much of the floating funds from the public, although this is only very wishful thinking."

Meanwhile, another rumor has it that the government has decided to bring up the index to 850.

According to this rumor, the government will push up the index to an 800-850 line—which is close to the 844 level registered at the time of the 12 December stock market refloating measure—by the end of this year, then bring on a market of some drastic ups and downs in the first half of next year depending on economic developments and get the index to exceed the 1,007 points, the record high to date.

They say that the reason the previous index of 844 is given serious consideration is that transactions were active toward the end of last year and early this year. And once an 850-point level has been attained, it is said, a further extensive watering-and-plowing of the market will create a new force of investors and they will promote the market next year. The rumor also has it that call money, banks, securities and others have been designated as a driving force to push up the index.

Of the 50 stocks that recorded sharp rises in price between mid-September and mid-October, 42 were of the financial category, which all rose more than 33%. The remaining eight stocks, except one or two manufacturing stocks, were of the paper-making category, an election-strong category. This fact proves how eagerly the big operators are looking forward to a politically-generated special boom.

Some people in the securities business believe that in the process of pushing up the index to the height of 850 by the yearend, the government will announce at an appropriate time the establishment of an additional securities stabilization fund which is currently under study, the designation of pension funds and others as institutional investors, the restructuring of financial industry and other measures whenever stock prices lose flexibility.

Also prevailing are speculations that favorable materials concerning Nordpolitik and North-South Korea relations will contribute to an active market.

"Withdrawal of Probe Into Accounts" a Signal

Meanwhile, one private analyst said: "I understand that the original strategy of key authorities was for pushing up the market in April this year and, after a period of dormancy, stirring it up again in the first half of next year. Mr P, whose dream is to challenge the presidency, had frequently forecast an April boom to those close to him."

However, the prediction failed to materialize because of Mr. P.'s fall from power. In this connection, it is said that the top leadership had decided against a hasty move to push up the market because it was feared that a rise in stock prices in 1990 could improve the financial standings of the three Kim's and of another Kim and a Pak and thus create an overheating of politics and a lame-duck situation.

Prevailing now, however, is the observation that the time has come for all concerned to move gradually to prepare for the Big Battle, and that consequently, share prices will rise to a certain extent. It is the time to cash in temporarily, and to then receive a transfusion of new blood. Moves like the withdrawal of the probe into accounts by investigative authorities, announced in September, can be seen as a signal of this trend. The timing was too superb indeed. An effort is under way and in full swing to draw underground funds back to the stock market and both the ruling and opposition camps seem to support the effort for the sake of their own needs.

Will stock prices really rebound? Experts' cautious view is that a recovery is not impossible should underground funds be successfully transfused into businesses. Needless to say, those experts do not have a fully developed theory yet because, in their view, the market has yet to recover its full vitality.

However, Koreans in Japan, who own a great deal of real estate in Korea through residents, are reportedly shifting their holdings from banks and real estate to the stock market, while all the political figures are, according to analyses, eagerly looking forward to a market upturn. These reports and analyses back up the observation that at least there is no possibility of the dam's water level going lower than it is now.

Burma

Intelligence Chief Opposed to Alternative State

BK1812015190 Bangkok BANGKOK POST in English 18 Dec 90 p 7

[Text] One of Burma's most powerful leaders warned yesterday that "it would be a great mistake" for the Opposition to form an alternative government with ethnic groups.

In a written reply to the questions submitted by the BANGKOK POST last week, Chief of the Defence Intelligence Services, Maj Gen [Major General] Khin Nyunt, snubbed the Opposition move as "ultimately self-defeating" and expressed confidence that such a government would not be welcomed by any country.

A group of legislators-elect of the National League for Democracy [NLD] who fled arrest and harassment in Burma is expected to announce today the formation of a provisional government together with the Democratic Alliance of Burma, an umbrella organisation of 21 anti-Rangoon groups including the ethnic minorities fighting for autonomy.

The group of NLD members—including seven who were elected during the May general elections in which the NLD won a landslide victory—is led by Dr Sein Win, cousin of party leader Aung San Suu Kyi who has been under house arrest in Rangoon for more than a year.

Khin Nyunt said that since the State Law and Order Restoration Council [SLORC] (Burma's military junta) was recognised "without any reservation" by the United Nations and other internatonal organisations within the UN system "as the sole legitimate government of the Union of Myanmar [Burma], we firmly believe that no nation will be in a position to welcome the government in exile."

Khin Nyunt, who is also First Secretary of SLORC, reiterated the junta's position that a transfer of power will take place only when a strong and stable government can be formed under the newly-drafted constitution.

"It would be a great mistake if the political party, which won in the elections, and other political parties committed themselves by forming a jungle-based government in collaboration with the outlawed insurgents who are regarded by both the government and the people of Myanmar as illegal elements."

SLORC, he continued, needs not change its position on the question of transfer of power.

"We have given assurances that the transfer of power will take place only when a strong and stable government could be formed in accordance with the new Constitution to be drafted. Hence there arises no question to set up a provisional government in any form or formula.

"No single political party or insurgent group has the right to proclaim such a government. Attempts to do so would prove ultimately self-defeating," he said.

Khin Nyunt described the general situation in Burma as "very stable, satisfactory with everything in good order and at its best."

On the human rights situation in Burma, Khin Nyunt said the military authorities act "within the bounds of law and order."

"Since there is no violation of human rights in Myanmar we do not need to be concerned over these allegations made by international media and a handful of governments," he said.

Khin Nyunt and 21 other high-ranking military officers including Commander-in-Chief Gen Than Shwe arrived in Bangkok last week to participate in the Asian Defence Services Exhibition and Conference which the Thai Defence Ministry jointly hosted with a private company.

He denied that the delegation visited the exhibition to shop for arms.

"Our visit to the exhibtion was very brief and just to mark our participation. We neither have a shopping list, nor intention to buy any arms," he said.

Diplomats Criticize Plans for Parallel Government

BK1812095090 Hong Kong AFP in English 0928 GMT 18 Dec 90

[Excerpt] Bangkok, Dec 18 (AFP)—Plans by a group of Burma's pro-democracy leaders to set up a parallel government were severely criticised by Rangoon-based diplomats Tuesday.

They described the plans recently announced by MPs from the National League for Democracy (NLD) as both futile and dangerous.

"It will make the regime mad and make them crack down even harder," said one diplomat.

"If the NLD party in Rangoon does not disown them it will be the end of the party," he added.

"What they are planning to do is madness. All they are doing is put a lot of people's lives at risk. There is probably not a government in the world that will recognize them," said another diplomat.

The MPs, who have fled to the jungle on the Burmese-Thai border, are expected to announce their parallel government this week.

The MPs, who were elected in the May elections, are reported to be linking up with the Democratic Alliance of Burma (DAB), an umbrella organisation made up of 21 anti-Rangoon groups who believe in armed struggle.

Leading the breakaway NLD group is Sein Win, cousin of party leader Aung San Suu Kyi who has been under house arrest for more than a year.

He claims to have the support of more than 200 NLD MPs but diplomats have cast doubt on the claim, suggesting the figure was an exaggeration. [passage omitted]

Daily Says Authorities Possibly Behind Bombing

BK1512071990 Bangkok THE NATION in English 15 Dec 90 p 5

[By Somchit Rungchamratrasami]

[Text] Mae Sot—Burmese students and Thai authorities alleged that the Nov 28 bomb at Burma's Myawaddi township which wounded eight Burmese could be a ploy by Burmese authorities to cripple the opposition movement.

They cited the 24-hour security around the Burmese customs house as well as the presence of numerous Burmese intelligence agents as the main obstruction to any kind of bombing conspiracy. The latest explosion, the fifth in its nature, occurred in the garden of Myawaddi's customs office. It was a landmine.

"Nobody would dare to place a bomb near the customs house as it is well guarded around the clock by Burmese officers including many plainclothes intelligence agents," said an exiled Burmese student who is a member of the All Burma Students' Democratic Front.

A Thai border officer, who is familiar with explosive devices, said "it would take at least two hours to plant such a bomb" which went off at the end of last month.

"How can somebody spend such a long time planting a bomb while Burmese authorities and officers are all over the place?" he added.

Another officer noted that the customs office was well guarded for 24 hours by Burmese officers who reside there.

The students accused the Burmese authorities of creating the incident to close down the border in an attempt to prevent the elected members of the opposition National League for Democracy (NLD) from escaping to Thailand.

The League, despite its overwhelming triumph in the May general election, was denied the fruits of its victory when the military junta in Rangoon refused to allow it to form the government. Instead the junta has practically decimated the party by arresting almost all its leaders.

The student said a number of NLD members have decided to flee Burma to Thailand and some are on their way towards the common border.

Thai officers said the explosion could be a ploy by the Burmese authorities to get Thai authorities to crack down on pro-democracy dissidents. Thousands [of] Burmese students, intellectuals and Buddhist monks have since the September 1988 coup d'etat taken refuge on the Thai soil. Many of them have hidden in Tak's Mae Sot District, which is opposite Burma's Myawaddi.

They said their Burmese counterparts often requested Thai cooperation to act against the dissidents by arresting and deporting them.

Burmese officers often accused Burmese dissidents and anti-Rangoon armed ethnic groups active on the Thai-Burmese border of masterminding previous explosions. But they have kept silent on the recent bomb explosion.

Moreover, they did not invite Thai authorities to visit the site to inspect bomb fragments and shrapnels as they usually did in earlier incidents, according to Thai officers. They also said they strongly believed that the bomb was not from Thailand as alleged by the Burmese as all goods for export have since last September been thoroughly checked by the Thai authorities and sniffer dogs.

The first explosion occurred on Nov 8, 1989 at a brewery near Myawaddi pier on the Moei River, injuring seven Burmese and five Thai citizens, all visitors to the Burmese town. The bomb was said to have been hidden in an aluminium biscuit box.

The second incident on Jan 15, 1990 took place near the former scene, killing two Burmese and injuring seven others. The explosive was concealed in a soap box.

The third bomb buried in Thai goods exploded on March 8 near the customs house killing six Burmese and injuring eight others. On May 5, a Thai and three Burmese were killed and two Thai and five Burmese wounded when a bomb in a monosodium glutamate box exploded. The latest incident occurred at the customs house's garden, which is about 30 metres from the office, on Nov 28 at 10 am, and wounded eight Burmese.

One day after last month's explosion, the Burmese authorities ordered the closure of the border, causing tremendous losses to merchants from both countries who had to pile up their goods awaiting the reopening of the border.

Thai attempts to negotiate for the reopening of the Burmese border checkpoint failed after the Burmese tried to impose tough conditions on Thai authorities and merchants.

In their official statement to Cpt Suwat Siwilai, chief of the Thai-Burmese coordination committee in Mae Sot, the Burmese laid down demands that all boxes of goods for export to Myawaddi must be thoroughly cheked before being transported to Burma. In case an explosion took place, Thai traders had to shoulder the responsibility and the Burmese would imediately seal their border checkpoint.

The conditions caused concern among Thai businessmen who urged the Thai authorities to negotiate with their

Burmese counterparts. The talks on Tuesday failed. And so far there has been no sign of the Burmese border being reopened.

The Thais retaliated by getting villagers living opposite Myawaddi to stop sending the goods to Burma.

Mae Sot District Chief Phunchai Niamwatthana said he had informed Thais in four villages opposite Myawady to stop transporting their goods especially gasoline and vehicle spare parts to Burma. The move was not meant for retaliation but to protect Thai sovereignty and dignity, he said.

He quoted local Burmese officials as saying that they are awaiting orders from Rangoon regarding Thai requests to reopen the border.

Brunei, Malaysia & Singapore

Malaysia

Private Options, Futures Exchange Approved

BK1712141890 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 17 Dec 90

[Text] A plan by a private consortium to establish the Kuala Lumpur options and financial futures exchange has already been approved. Finance Minister Datuk Paduka Daim Zainuddin confirmed in Kuala Lumpur that a letter of approval had been issued to this effect.

Earlier, briefing National Front members of parliament on the budget in Kuala Lumpur, he said every citizen regardless of his or her political beliefs has the right to enjoy the benefits of the rapid progress the country is now experiencing. This being the case, income tax and import duties have been reduced. A sizeable allocation has been earmarked for rural residents. According to Datuk Paduka Daim, the 1991 budget has been well received by every group given comments aired in the mass media. He was convinced that the country's economy would continue to develop in the future.

Ministry Says Earnings From Oil To Increase

BK1712073590 Kuala Lumpur International Service in English 0800 GMT 17 Dec 90

[Text] Malaysia's export earnings from crude petroleum are expected to increase substantially by 29.3 percent to 10,190 million ringgit this year. The large increase is mainly due to the strengthening of world crude oil prices.

The government's decision to raise crude petroleum production also contributes to the overall increase in export volume and earnings. The decision was made in response to the request from several developing countries. Their supply of crude has been adversely affected by the Gulf crisis. Malaysia's export volume for this year is estimated at 22.6 million tons.

The Finance Ministry said this in its economic report released together with the 1991 federal budget. The report pointed out that prices of crude oil are expected to be at levels above US$30 per barrel in the last quarter of this year. This is due to lower stocks, the continuing Gulf crisis, and the onset of colder weather in the Northern Hemisphere.

Report of liquified natural gas this year will record a marginal increase of 8.3 percent to 6.65 million tons.

Commentary Supports Asia-Pacific Trade Bloc

BK1812090790 Kuala Lumpur International Service in English 0800 GMT 18 Dec 90

[Station commentary]

[Text] It is unfortunate that the Uruguay Round of multilateral trade negotiations or MTN under GATT has failed to arrive at a satisfactory and successful conclusion by the end of the year as originally presumed. The Third World, which has been patiently waiting to see a liberalization in world trade and easier access to the global market, has been left in a state of frustration. The developing countries are now wondering if the proposed resumption of the MTN early next year will lead to a solution to the impasse that was witnessed in Brussels earlier this month.

It has become virtually obvious that developed and industrialized nations are only interested in protecting their own economic interests, leaving the developing countries to fend for themselves. Otherwise, they would not have arrived at the need for the talks to collapse over the agricultural issue. The United States and the European Community were both adamant in sticking to their respective quantum of reduction in farm subsidies. Their uncompromising attitude led to the postponement of the MTN which was also supposed to seek agreements on several other issues which are of particular concern to Asian countries. One is inclined to ask if there is any value or meaning in the painful efforts of the four long years to introduce a global market economy when industrialized countries fail to agree on trade liberalization at the international level.

It was, therefore, not surprising that Prime Minister Dr. Mahathir Mohamed called for the establishment of an Asia-Pacific trade market to safeguard the economic interests of countries in the region. Some may have considered this proposal as strange. [words indistinct] opposed to the idea of trade or economic blocs, but it must be realized that developing nations are feeling the adverse effects of the persistence of developed countries toward protectionism which denies or curbs the efforts of the Third World to find new markets for their products. Malaysia's current move is aimed at enhancing the bargaining power of the countries in the Asia-Pacific region in international trade negotiations. If the existence of groupings such as the European Community, New Zealand and Australia, United States and Canada, and now U.S. and Mexico for their economic interests can be justified, then no one can argue against the desire on the part of Asia-Pacific countries to establish their own bloc for the same purpose. ASEAN is united in its stand that protectionist measures by the developed countries must be counted at all costs.

Malaysia is now taking steps to sound out and receive feedback from her ASEAN partners on her proposal for the [word indistinct] of an Asia-Pacific trade bloc. The response from Chinese Premier Li Peng to Dr. Mahathir's call has been encouraging. On his recent visit to Malaysia, Mr. Li stated that the suggestion is constructive in the face of increasing protectionism by Western countries. With the recent normalization of relations between China and several other countries within the region, China can be expected to play a major role in the formation of the Asia-Pacific trade bloc. While we can remain hopeful that the Uruguay round will come to a fruitful conclusion early next year, a trade pact among the countries of the Asia-Pacific [region] will place them in a better bargaining position when the talks do resume.

Finance Minister Announces 1991 National Budget

BK1512131990 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 14 Dec 90

[Excerpts] The 1991 national budget which was announced this afternoon was considered the people's budget based on the people's confidence in the government's ability to manage the country's economy and serve them.

Datuk Paduka Daim Zainuddin, who announced the budget, said the budget's new strategy was to create a desired intimate and cultured community. Four other strategies are to sustain the economic growth rate at a high level, control rising prices, correct the balance of payments, and further improve research and development as well as develop a skilled labor force.

The other aspects are mainly based on reducing the people's income tax. If last year's budget centered on the structure of business tax which has been reduced from 40 percent to 35 percent, current emphasis is being given to reducing individual income tax. This will be effective on 1 January next year. The previous individual income tax reduction was in 1985.

[Begin Daim Zainuddin recording in progress] ...to encourage efforts, and to increase productivity, I propose that the following tax reductions be made. The lowest tax rate should be reduced from five percent to four percent and the highest rate from 40 percent to 35 percent. Tax rates for other income groups should range from one to three percent. The tax on profit in excess of five percent for the taxable income of 300,000 ringgit has been abolished. Your Honorbale Speaker, at present a wife is allowed to declare separately her professional income or income which earns a pension.

Other sources of derived income such as dividends, interests, rents, and business income will be included in her husband's income and be made taxable with his income. In line with the government's objective to further encourage greater participation by women in economic activities, I propose that a separate income tax declaration be given to cover all forms of income. Your Honorable Speaker, I also propose an increase in tax relief on the wife's income from 2,000 ringgit to 3,000 ringgit. Besides this, I propose that the tax relief for the first and second children be raised to 800 ringgit for each child. This would mean that tax relief for the first to the fifth child will be similar. [end recording] [passage omitted]

Meanwhile, the discount scheme on rubber which was announced during the 1985 budget will be abolished effective 1 January, because the government is confident that the country's rubber industry will be able to compete in international markets. The tin [word indistinct] scheme, which is at 700 ringgit per ton, has also been abolished. In an effort to encourage petroleum companies to further tap resources from oil fields, a tax exemption will also be granted for the actual petroleum cost in the joint regional pact production in 1985 effective 1 April. But such a tax exemption will not be more than 50 percent. Currently, such an exception only stands at 20 percent. [passage omitted]

In an effort to further encourage an influx of new investment and the operational development of investment in the country, the government is continuing the Re-Investment Fund Allowance, EPS, for another five-year term. The tax exemption of 40 percent is granted for companies which allocate expenditures for the purchase of plants and machinery to increase their production capability. Currently, such an allowance has been extended to companies which have diversified their production.

The proposed tax exemption incentive also affords a 50-percent reduction on income brought back to Malaysia as a result of foreign investments. Dividends derived from such income will also be tax exempt. This incentive is given only on the basis of a five-year term after the company has been fully operational and has received benefits. The second tax exemption incentive is given toward expenditures incurred by a company during the preoperational period. [passage omitted]

The government continues to give assistance to the poor. A sum of 20 million ringgit has been allocated for next year's poverty eradication project. For those whose income is less than 500 ringgit a month, an interest-free loan of 10,000 ringgit will be given to applicants from peninsular Malaysia and 13,000 ringgit for applicants from Sabah and Sarawak for home construction. Meanwhile, the 1991 budget also allocates 6,000 million ringgit for rural development. Datuk Paduka Daim clarified that the allocation is made based on the concept of distribution of wealth to the poor, particularly in rural regions.

In line with the budget strategy, a total of 38,474 million ringgit has been allocated for the 1991 expenditure. This is an increase of 15 percent over last year's allocation. From that total, a sum of 29,040 million ringgit will be allocated for administration while the balance of 9,434 million ringgit will be directed for development expenditures. Finance Minister Datuk Paduka Daim Zainuddin said the tax reforms which have been proposed during the budget presentation are expected to cause the country an income loss of about 349 million ringgit. After taking into account such a loss, the next year' income is expected to stand at 29,897 million ringgit. Thus, the country will have an excess of 857 million ringgit in the federal government's current account expenditure in 1991.

From an allocation of 29,040 million ringgit for administration, 9,856 million ringgit will be for wages for ministries, departments, and statutory bodies. For next year, five ministries will recieve a larger allocation for their expenditure. The Education Ministry will receive 5,552 million ringgit. The Defense Ministry has been allocated 2.5000 million [as heard] ringgit, while the Health Ministry will receive an allocation of 1,446 million ringgit. The Agriculture Ministry has been allocated 826 million ringgit. The Home Ministry will receive an allocation of 1.6000 million [as heard] ringgit. From the development expenditure allocation of 9,434 million ringgit, the economic sector will recieve 4,562 million ringgit, the social sector 2,078 million ringgit, the security sector 1,722 million ringgit, and the general administration sector 272 million ringgit, while the balance of 800 million ringgit will be kept for unexpected expenditures.

According to Datuk Paduka Daim, due to the people's support for the Barisan Nasional during the recent general election, priority will be continuously given to rural development. A sum of 3,721 million ringgit has been especially allocated for agricultural infrastructure projects and other programs which could increase the rural community's income. Continued steps to further improve their standard of living will be included in the Sixth Malaysia Plan. [passage omitted]

Real GDP Projected To Rise by 9.4 Percent

BK1512075090 Kuala Lumpur International Service in English 0600 GMT 15 Dec 90

[Text] Malaysia's real gross domestic product [GDP] is projected to rise strongly by 9.4 percent this year to 78,889 million ringgit compared to 8.8 percent last year. According to the 1990-1991 economic report released by the treasury, factors supporting the acceleration of the economy include strong domestic demands and sustained external demands for manufacturers. The better showing of the economy has been achieved despite a possible setback to growth in the industrial countries as a result of the Gulf crisis.

Maintaining its stand as the largest economic sector, manufacturing is expected to account for 26.6 percent of the GDP this year from 25.1 percent last year. This reflects a further move away from a predominantly large primary sector. Value-added growth in manufactured goods is estinmated to strengthen further by 15.8 percent this year from 12 percent last year. This is due to the large number of investment projects approved over the past three years.

Inflation Rate Second Lowest in ASEAN 1989-90

BK1312042490 Kuala Lumpur BERNAMA in English 0325 GMT 13 Dec 90

[Text] Kuala Lumpur, Dec 13 (OANA-BERNAMA)—Malaysia's inflation rate between 1980 and 1990, averaging 3.6 percent, is the second lowest in ASEAN, Deputy Finance Minister Loke Yuen Yow told Parliament Wednesday [12 December].

It is lower than Thailand's 5.7 percent, Indonesia's 9 percent and the Philippines' 14.7 percent. Only Singapore's average is lower, 2.8 percent.

Loke said this when asked if the government will continue to adopt "cautious" fiscal policies to ensure that inflation remains low.

To another question, Loke said the Central Bank had ceased all operations to support the ringgit in foreign exchange markets in October 1984 and had done nothing since to support the national currency.

He said there are at least two factors why such activities are no longer pursued by the government.

Firstly, supporting the ringgit involves huge financial costs and secondly, currency realignments have been implemented through the Plaza Accord 1985.

"As such, it has become the government's policy not to intervene in foreign currency exchanges. The Central Bank's operations, on the other hand, are aimed at ensuring against excessive increases or drops in the ringgit. Nevertheless, it is not the government's policy to divulge details of these operations," Loke said.

Loke earlier said that the Central Bank started operations to support the ringgit against the Singapore dollar in early March 1981 and ended these operations in October 1984.

Debts resulting from losses sustained by Malaysia as a result of the appreciation of major currencies between 1986 and 1988 amounted to Malaysian $13.6 billion (US $5 billion).

Economic Slowdown 'Expected' in Early 1990's

BK0612150390 Hong Kong AFP in English 1421 GMT 6 Dec 90

[Text] Kuala Lumpur, Dec 6 (AFP)—Malaysia's economy is expected to slow down in the early 1990's because it is overheating after several years of rapid expansion, the Malaysian Institute of Economic Research (MIER) said Thursday.

The MIER, an independent think-tank, predicted that Malaysia's economic growth rate would fall from 10 per cent this year to 6.3 per cent next year, five per cent in 1992 and hover around 4.8 per cent between 1993 and 1997.

Growth rate is expected to pick up after that to reach seven per cent by the year 2,000, according to papers presented at the MIER's annual national outlook conference.

The MIER said other factors that would cause a slowdown were the high inflation rate, a war in the Gulf, a global slowdown, rising protectionism and the formation of trade blocs.

The current investment boom, which is supported by factors like a conducive policy environment, astute monetary management, cheap power and political stability, was expected to continue.

The petrochemicals industry would be one of the fastest growing industries in Malaysia over a five-year period from 1992 with investments amounting to more than five billion Malaysian dollars (1.85 billion U.S.), the institute said.

Figures released last week by the Trade Ministry showed investment approvals for the first 10 months of the year amounted to 33.45 billion Malaysian dollars (12.4 billion U.S.), exceeding the year's target by three billion dollars (1.1 billion U.S.).

Cambodia

Three Resistance Forces To Attend Paris Meeting

*OW1512030790 Beijing XINHUA in English
0242 GMT 15 Dec 90*

[Text] Paris, December 14 (XINHUA)—The three parties of the Cambodian resistant forces agreed today to attend the international conference on Cambodia to be held in Paris next week. The chairmen of the Paris International Conference on Cambodia, French Foreign Minister Roland Dumas and Indonesian foreign minister, Ali Alatas, sent a letter recently to the four-party Cambodian Supreme National Council, inviting them to the meeting to be held in Paris on December 20 and 21. The meeting will mainly review the draft documents worked out in November for a resumed Paris International Conference on Cambodia.

The two chairmen hoped the parties concerned will "fully evaluate the significance of the meeting" and attend it "in the spirit of making concessions and achieving results."

Khieu Sampham, deputy chairman of the national Government of Cambodia, promised today that he will attend the conference. "It should be held on schedule and the Phnom Penh side should clearly express to the two chairmen its position on whether or not it will accept the agreement" which is designed to solve all issues on Cambodia politically.

Prime Minister Son Sann, who is currently in Paris, told reporters today that he will "certainly attend" the meeting.

According to sources closing to Samdech Norodom Sihanouk, Norodom Ranariddh will come to Paris early next week for the meeting.

An AFP report said that the Phnom Penh regime's Prime Minister Hun Sen will possibly attend the conference.

Khieu Samphan Calls for Phnom Penh Agreement

*OW1512082790 Beijing XINHUA in English
0713 GMT 15 Dec 90*

[Text] Paris, December 14 (XINHUA)—Cambodian vice president in charge of foreign affairs, Khieu Samphan, called for Phnom Penh regime's positive response to the agreement on a comprehensive political settlement to the Cambodian issue by the five permanent members of the United Nations Security Council.

In an interview with the newspaper, "THE VOICE OF THE NATIONAL ARMY OF DEMOCRATIC KAMPUCHEA," Khieu strongly condemned Vietnam and Phnom Penh's position to ignore the efforts made by the international community to seek a comprehensive political settlement to the Cambodia issue.

He said the three parties of the Cambodian National Resistance and the world communities forced the Phnom Penh party to accept the form-five framework document in its entirety through the adoption of the Jakarta Joint Statement on September 19. The Supreme National Council (SNC) was established to represent the Cambodian sovereignty in the transition period, he added.

Immediately after the Jakarta meeting, however, the Hanoi authorities ordered a rejection of the Jakarta joint statement by blocking the election of Samdech Norodom Sihanouk as chairman of the SNC and demanding that Hun Sen be appointed as SNC vice-chairman.

Moreover, Vietnamese Foreign Minister Nguyen Co Thach said that "Vietnam will not sign the agreement on the settlement of the Cambodia conflict even though the Cambodians agreed among themselves."

Samphan responded by saying that Vietnam's determination to control Cambodia will only led to further political conflicts within his country.

He said he hoped the scheduled Paris meeting between the two chairman of the Paris International Conference on Cambodia (PICC) and the four Cambodian parties will force Hanoi to give a positive response to the comprehensive political settlement to Cambodian issue.

Politburo Member Meets Koh Kong Cadres, Workers

BK1812085590 Phnom Penh Domestic Service in Cambodian 1300 GMT 17 Dec 90

[Text] Comrade Nguon Nhel, member of the party Central Committee Political Bureau and minister of agriculture, on 8 December had a cordial meeting with cadres, personnel, and workers of various offices and units from all over Koh Kong Province.

Comrade Rung Phlamkesan, member of the party Central Commmittee and secretary of the provincial party committee, and leading cadres of the local party, administration, and mass organizations were also present.

Comrade Nguon Nhel highly appreciated the great achievements made by the local administration and people over the past 12 years, especially in counterattacking the enemy in defense of the locality and in improving people's living standards. He also talked about the latest development relating to our State of Cambodia, particularly concerning negotiations. He clearly stressed the goodwill and realistic stance of our State of Cambodia in the search for a solution to the Cambodian problem.

In the talks in search of a peaceful solution, we have adhered to four principles: to protect at all costs the gains of national society; to maintain the independence and sovereignty of the State of Cambodia; to defend the right to self-determination of the Cambodian people; and to bring about a peaceful solution that would not bring the genocidal Pol Pot regime back to power.

The comrade went on to say that in past negotiations, the Government of our State of Cambodia has made many concessions, such as agreeing to let the United Nations control the elections, to share power with the other Cambodian side in the Supreme National Council, and so on.

He also stressed that not only have the Cambodians on the other side failed to show goodwill to end the Cambodian conflict, but they have also sought by all means to obstruct the peace process and to overturn the power of our State of Cambodia. Therefore, Comrade Nguon Nhel said, in order to preserve the gains of national society, all cadres, personnel, workers, armed forces, policemen, and people of Koh Kong Province must unite as a single body around the Kampuchean People's Revolutionary Party, heighten revolutionary vigilance, and fight and be ready to fight in counterattacking the enemy with effectiveness and in time. At the same time, we must strive to build strong genuine forces in all fields, combat all negative phenomena and corrupt practices, and raise the sense of thrift, he said.

Heng Samrin Visits Kompong Speu Province 16 Dec

BK1812082190 Phnom Penh Domestic Service in Cambodian 1300 GMT 17 Dec 90

[Text] On the afternoon of 16 December, Comrade Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party [KPRP] and chairman of the State of Cambodia's Council, held a cordial conclave with leaders of the party committee, state authorities, mass organizations, and units in Kompong Speu Province as well as leading cadres in the provicial town.

Taking the floor on that occasion, Comrade General Secretary Heng Samrin greeted and praised the province's cadres and people for having contributed their great efforts in the tasks of defending and rebuilding the locality toward development in all fields. He gave a clear briefing on the military and security situation in Cambodia since the complete withdrawal of Vietnamese volunteer troops, on international events, and in particular on the process of the political settlement of the Cambodian problem.

He urged nucleus cadres in Kompong Speu Province to continue providing the people and masses with ideological education in order to stimulate their confidence in the party leadership and make them more clearly see through the enemy's perfidious maneuvers aimed at destroying and overthrowing the State of Cambodia.

The comrade general secretary stressed that at present attention should be paid to vigorously combating negative phenomena and corrupt practices and speeding up the harvest of rainy and dry season rice crops. Along with this, efforts should be exerted to strengthen and build up the local armed forces and state authorities and the grass roots forces both quantitatively and qualitatively, to improve the local leadership and administration, to uphold (?unity) and solidarity, and to correctly carry out the resolutions adopted at the 11th session of the fifth party Central Committee.

In his reply, Comrade Hem Phan—alternate member of the party Central Committee and secretary of Kompong Speu Province's party committee—on behalf of the local party, state authorities, and people, welcomed and deeply thanked Comrade General Secretary Heng Samrin for having taken time out of his busy schedule to visit the cadres, combatants, and people in the province. He pledged to promote solidarity and unity around the party with a view toward successfully implementing circulars and decisions handed down by the party and state, especially the resolutions approved by the fifth party Central Committee at its 11th session.

Delegation Departs for French Party Congress

BK1612152190 Phnom Penh Domestic Service in Cambodian 1300 GMT 16 Dec 90

[Summary] On the morning of 15 December, a party and state delegation of the State of Cambodia led by Say Chhum, member of the party Central Committee Political Bureau and standing vice chairman of the Council of Ministers, left Phnom Penh for Paris to attend the 27th Congress of the French Communist Party.

Among those seeing the delegation off were Mat Ly, member of the party Central Committee Political

Bureau, vice chairman of the National Assembly, and vice chairman of the party Control Commission; Nguon Nhel, member of the party Central Committee Political Bureau and agriculture minister; Sin Song, alternate member of the party Central Committee Political Bureau and interior minister; and Sim Ka, alternate member of the party Central Committee Political Bureau and secretary of the Phnom Penh party committee.

Mat Ly Receives Malaysian Muslim Group

BK1712092390 Phnom Penh Domestic Service in Cambodian 0430 GMT 17 Dec 90

[Text] Comrade Mat Ly, member of the Political Bureau of the party Central Committee, vice chairman of the National Assembly, and also vice chairman of the party Central Committee Control Commission, cordially received at the Front National Council's cabinet in the afternoon of 15 December the delegation of Malaysia's Islamic Research Group headed by Iskandar Abidin al-Hamdi.

Speaking on that occasion, Comrade Mat Ly informed his guests of the heinous crimes perpetrated by the genocidal Pol Pot gang against the Cambodian people as well as against the Khmer Muslims under their rule. He also stressed the rebirth of the Cambodian people after the overthrow of the genocidal Pol Pot regime. He said that over the past 12 years, the Cambodian people together with the fraternal Khmer Muslims have enthusiastically contributed to rapidly restoring the motherland and to resolutely preventing the genocidal Pol Pot regime's attempt to return to power.

Comrade Mat Ly also talked about the goodwill and sincere stance of the party and Government of the State of Cambodia in the search for peace for the Cambodian people.

In his return speech, Iskandar Abidin al-Hamdi highly appreciated the all-round great achievements made by the Cambodian people during the past 12 years. He thanked the party and Government of the State of Cambodia for helping promote the revival of Islam. He supported the precious goodwill of the Cambodian party and Government to bring an early end to the Cambodian conflict.

Heng Samrin Greets Poland's Walesa on Election

BK1812081190 Phnom Penh Domestic Service in Cambodian 0430 GMT 18 Dec 90

[Text] Comrade Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party and chairman of the State of Cambodia's Council, recently sent a message of greetings to His Excellency Lech Walesa on the latter's election as president of the Republic of Poland.

The message read: I wish to be permitted to extend best wishes to Your Excellency on your election as the president of the Republic of Poland. I have the firm belief that the relations of friendship between our two peoples and countries will continue to strengthen and develop, contributing to safeguarding peace in the world.

May Your Excellency have the best of health and successes in the implementation of your noble task.

Heng Samrin, Hun Sen Greet Phomvihan on Birthday

BK1612081290 Phnom Penh Domestic Service in Cambodian 0430 GMT 16 Dec 90

[Text] Comrade Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party [KPRP], and Comrade Hun Sen, chairman of the Council of Ministers of the State of Cambodia [SOC], recently sent a message of greetings to Comrade Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party and chairman of the Council of Ministers of the Lao People's Democratic Republic [LPDR] on the latter's 70th birthday.

The message read: On behalf of the KPRP, the SOC Council of Ministers, the entire Cambodian people, and in our own names, we would like to extend best wishes to you. May you have the best of health, zealous physical strength, longevity, and new, still greater successes in the implementation of your noble task for the cause of rebuilding the glorious LPDR. And may the close fraternal relations of friendship and solidarity and cooperation between our two countries remain stable and eternally develop for the sake of our two peoples' happiness and peace in the region and the world.

Official on Risk of AIDS From Transfusions

BK1712144890 Hong Kong AFP in English 1415 GMT 17 Dec 90

[Text] Bangkok, Dec 17 (AFP)—A senior Cambodian health official admitted here Monday that receiving a blood transfusion in war-torn Cambodia is fraught with the risk of catching AIDS.

"Every time someone has a blood transfusion it is like playing Russian roulette," said Oum Sophal, citing the risk of infection with the Human Immunodeficiency Virus (HIV), which can develop into Acquired Immune Deficiency Syndrome (AIDS).

Dr. Oum Sophal of Phnom Penh's Health Ministry said at the five-day world congress on AIDS here that lack of equipment, know-how and financial resources make blood screening for the HIV virus impossible.

"We can only trace hepatitis or malaria and some other viruses in blood, but unfortunately not HIV," he said. At least 10 patients a day, mostly soldiers, have blood transfusions in Phnom Penh, and all are exposed to the risk of contracting the fatal AIDS.

Dr. Oum Sophal said some blood donors were from what he termed high-risk groups including foreigners, prostitutes, cross-border traders and drivers. Cambodia has no means of determining how many people are already affected by HIV, he added. In the last national survey for AIDS in 1988, when the Health Ministry sent blood samples of 300 donors to the Pasteur Institute in Paris, none tested positive.

"On the surface, it seems that AIDS is not a problem yet in our country. But in reality it may already be," he said. The senior researcher said he was urging international organizations to help Cambodia with AIDS prevention.

The International Committee of Red Cross will start a blood screening project in Cambodia next year, while the United Nations Children's Fund will launch a short-term program on AIDS control, also early next year.

"There are so many things we have to do in our country and it is so hard to prioritize things at this moment. But we will do our best to control AIDS," he said.

Fighting 'Unaffected' by Sihanouk Council Move

BK1712030990 Bangkok THE NATION in English 17 Dec 90 p B10

[Article by Athiwibun Sisuworanan: "A Bloody Showdown Looms Up"]

[Text] Although Cambodian resistance leader Prince Norodom Sihanouk has dropped his demand that he head the recently formed Cambodian national council, smoothing the way for next week's peace conference in Paris, fighting inside Cambodia seems likely to be unaffected by any settlement that results.

There has been a renewal of hostilities between Phnom Penh government troops and guerrillas from the three resistance factions since the beginning of the dry season (from October to May). The fighting is showing some signs of escalating to a showdown, as almost happened during the previous dry season after Vietnam withdrew its troops from the war-torn country last year.

Fierce fighting was reported last month on nearly all the major fronts, including Sisophon and Samrong districts in Banteay Meanchey, Sam Lot and Pailin districts in Battambang, and Siem Reap and Kompong Thom provinces.

During the 1989 dry season, the resistance gained considerable ground. Some observers were worried that this dry season would see a Khmer Rouge push towards Phnom Penh, and perhaps even a return to power by the radical group, which is held responsible for the deaths of hundreds of thousands of innocent Cambodians during its 1975-1978 reign.

A US-based non-governmental study group, the Cambodia Study Group, is among these pessimists. After conducting a two-month fact-finding mission in Cambodia and Thailand recently, the group stated that the Khmer Rouge-led resistance would probably enter Phnom Penh within 18 months. It believed that the balance of power in the resistance coalition was now strongly in favour of the Khmer Rouge.

The 1989 dry season had already given the resistance a considerable amount of territory, including several district towns and strategic highways in northwestern border provinces, as well as an operational zone in interior Siem Reap and Kompong Thom provinces.

The territory has enabled the resistance factions to consolidate their forces and acts as a theatre for military manoeuvring, particularly the Kompong Thom operational zone—which has been referred to as a "thorn in Phnom Penh's side".

However, a military strategist monitoring developments inside Cambodia from Bangkok believes that in a wider perspective, the Phnom Penh government still holds the upper hand. Militarily, he said, Phnom Penh still has superior fire-power and a larger number of troops.

The strategist quoted intelligence reports as saying that Phnom Penh now has a total of 96,600 armed fighters—43,400 regular troops divided into 6 infantry divisions and 5 light brigades, about 50,000 well-armed paramilitary and local militia, 2,500 marines and 700 air force soldiers—compared to about 30,000 Khmer Rouge and 20,000 non-communist resistance guerrillas. The Phnom Penh troops also enjoy far superior support in number of tanks and artillery pieces.

This superiority does seem to be dictating the present course of war in Cambodia, with the resistance increasingly being forced to stick with guerrilla tactics. The out-numbered resistance forces seem to be having a hard time to hold newly-gained territory for long periods, or establishing supply lines behind enemy lines. In an absence of strong fire power, particularly long range artillery, their offensives are also limited.

Given the military situation, a number of relatively static battlefronts have been created, where government troops have been able to check the resistance's previous advances.

These include:

—The Northern Front (Samrong-Ampil-Oddar Meanchey-Preah Vihear) in Banteay Meanchey, Oddar Meanchey and Preah Vihear provinces, where Phnom Penh's 286th and 5th infantry divisions are defending district seats from the Sihanoukist army. The forward units of the resistance, however, are posing a serious threat to Siem Reap from the north, from Banteay Srei and Kralanh district.

—The Central Front (Thmar Puok-Sisophon-Phnom Chakrei) in Banteay Meanchey province where the government's 719th and 6th infantry divisions are checking an advance by the resistance from their bases along the Thai border to Sosophon, the provincial seat. The Khmer Rouge, which is holding the southern flank of the 100-km-long front, is also threatening the seat of Battambang from the northwest and the west.

—The Southern Front [Pailin-Sam Lot] in Ratana Mondol district of Battambang province in which the 196th and 4th Phnom Penh infantry divisions are trying to retake Pailin, seat of the gem-rich district of the same name, from the Khmer Rouge, who are using the town as a base threatening Battambang from the west. Some elements from the Son Sann's KPNLF [Khmer People's National Liberation Front] and Khmer Rouge forces have infiltrated into Pursat and Koh Kong provinces from bases near Thailand.

—However, at the Kompong Thom—Kompong Chhnang Operational Zone, the guerrillas have been able to establish a strong presence behind the government rear. There were reports that the guerrillas had secured logistic supply lines from Anlung Veng, a border town opposite Sangkla district in Surin province, passing through Banteay Srei and Kompong Kdei to the north of Siem Reap and to Stoung and Kompong Svay districts north of Kompong Thom province. The routes was said to be safe enough to move Khmer Rouge tanks from Anlung Veng to the front.

According to intelligence reports, the resistance is now occupying Stoung and Kompong Svay, where strategic roads No 6 and No 12 linking Phnom Penh with Siem Reap and Preah Vihear provinces have been cut by the guerrillas since June.

A senior Thai military officer says that during the past months the resistance in the Kompong Thom-Kompong Chhnang operational zone has withstood several counterattacks by the Phnom Penh forces, despite the latter's bringing in reinforcements from Preah Vihear, Prey Veng, Svay Rieng and Stung Treng provinces. The resistance presence forced the government to evacuate tens of thousands of people from the area and jeopardized its positions in the northern and central battlefronts, which have to rely more and more on road No 6 and the railway line west of Tonle Sap for their logistic supplies.

Moreover, with reliable supply lines established from the border to Kompong Thom (which means the Khmer Rouge tanks could reach the theatre), it is possible for the resistance to shift the operation to a conventional stage by choosing either to drive a military wedge southward to Phnom Penh about 100 kms away, or combining with its allied forces north of Siem Reap to lay siege against the town.

Shifting tactics from guerrilla to conventional warfare seems to be the only means for the resistance to change the current military equation in their favour, if they really want to bring the government to its knees in the current dry season.

Nevertheless, the Thai officer says there is a possibility that Vietnam will intervene to alter the situation if its ally in Phnom Penh is seriously threatened.

He said up to September this year there were indications of Vietnamese troops' presence in Cambodia. Based on the testimony of Vietnamese soldiers captured in Cambodia recently, it is believed that at least 18,000 Vietnamese troops are still taking an active part in helping the government troops fight the resistance on the battlefield. This number includes 1,000 from Hanoi's divisions 307 and 305 in Preah Vihear, 300 from Division 72 in Siem Reap, 1,700 from Division 75 in Banteay Meanchey, and 15,000 from divisions 7, 59, 330, 339 and 4, in Battambang.

A Sihanoukist official also claimed that there were up to 40,000 Vietnamese troops hidden in Stung Treng and Kratie provinces as reserves. The Vietnamese reserves could easily intervene in the Kompong Thom-Kompong Chhnang theatre with a formidable shock effect.

In short, the Vietnamse presence in Cambodia still makes any mass resistance offensive on the battlefield a risky business.

An analyst said Phnom Penh's new decision not to accept a United Nations interim administration was an indication of its confidence in its military power.

"By hardening their stance I feel that Phnom Penh is inviting the resistance to move into Kompong Thom for a final round of fighting there," he concluded.

Government Forces Kill 30 in Kompong Thom

BK1512064290 Phnom Penh SPK in English 0428 GMT 15 Dec 90

[Text] Phnom Penh SPK December 15—In the first week of December, the government forces in Kompong Thom Province (150 Km north of Phnom Penh) wiped out 30 enemy troops, captured 10, and forced 14 others to surrender in clashes around Baray area.

The government troops seized 33 assorted guns, including one mortar and four anti-tank rocket launchers, and a quantity of other war means.

In the meantime, Baray District received 21 returnees, who had deserted the enemy ranks with five rifles.

Report on Battle Successes in Week of 8 Dec

BK1512074690 Phnom Penh Domestic Service in Cambodian 0430 GMT 15 Dec 90

[Text] During the week of 2-8 December, the three reactionary enemy groups continued to shatter our people's tranquility by firing thousands of artillery shells on some border areas in Battambang, Banteay Meanchey, and Siem Reap-Oddar Meanchey Provinces.

During the same period, while the enemies were wreaking havoc upon our people in the most cruel and barbarous manner, our armed forces in all the regions upheld their determination to fight to decimate the three groups of bandits, inflicting heavy setbacks against them.

As a matter of fact, our armed forces launched 12 counteroffensives against the enemies, putting out of action 132 enemy soldiers—including 102 killed, three captured, and 27 who were forced to surrender—and wounding many others. We seized 69 assorted firearms, a great deal of ammunition, and some war materiel.

'Open Letter' to Cochairmen of Paris Meeting

BK1812074990 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 17 Dec 90

["Open letter" from the Cambodian people to the cochairmen of the Paris International Conference on Cambodia; dated 16 December]

[Text] We have learned that the cochairmen of the Paris International Conference on Cambodia have invited the four Cambodian parties to meet in Paris at the end of this month to discuss a draft settlement of the Cambodian problem adopted by the the five permanent members of the UN Security Council and the Paris conference cochairmen on 26 November 1990.

We—the Cambodian people, victims of the Vietnamese war of aggression over the last 12 years—are extremely pleased with the praiseworthy initiative and the continuous efforts to help resolve via a comprehensive political solution the most destructive war of aggression committed by the Hanoi authorities in Cambodia over the past 12 years. We expect that all of the Cambodian parties will accept the invitation to the Paris international conference cochairmen and the 26 November draft settlement endorsed by the five permanent members of the UN Security Council and the cochairmen, because the draft solution was worked out on the basis of the 28 August 1990 five-chapter framework document of the five permanent members of the UN Security Council.

In addition, the four Cambodian parties, in their 10 September Jakarta joint statement, already officially endorsed the UN Security Council document.

We, along with the whole international community, have clearly realized that settling the Vietnamese war of aggression against Cambodia via the above-mentioned five-chapter framework document is the best solution because:

1. Cambodia will be freed from Vietnam's invasion and occupation and will recover its independence, sovereignty, peace, unity, neutrality, and nonalignment while retaining its territorial integrity and its genuine right to self-determination.

2. The Cambodian nation and people will reach a genuine national reconciliation regardless of political orientations and will live harmoniously in a national society having a liberal capitalist regime and a multiparty system.

3. The Cambodian nation and people's survival will be safeguarded because Cambodia's independence, sovereignty, neutrality, and territorial integrity will be internationally guaranteed and Vietnam can no longer return its troops to invade and occupy Cambodia at will.

4. There will be no presence of foreign military forces or bases in a peaceful, independent, neutral, and nonaligned Cambodia. This will contribute to promoting peace, stability, and prosperity in the whole Southeast Asia and Asia-Pacific regions.

By all means, any Cambodian party having the honest intention to see Cambodia recover peace, independence, and self-determination has no reason whatsoever to refuse the above-mentioned draft settlement.

But the Hanoi Vietnamese aggressors themselves—and through them the traitorous puppets they have propped up in Phnom Penh—with the persistent ambition of swallowing and including Cambodia in their strategic Indochinese federation, have openly opposed the UN Security Council framework document and the Jakarta document to block an overall political settlement of the Cambodian problem for the purpose of further occupying that country.

That being the case, we would like to appeal to the Paris international conference cochairmen, who earnestly motivated the four Cambodian parties to officially accept the five-chapter document of the permanent members of the UN Security Council as specified in the 10 September Jakarta joint statement, to continue their drive at the upcoming Paris meeting to urge the Phnom Penh side to respect the agreement it has endorsed, meaning to accept the 26 November 1990 Paris draft settlement with a view toward resuming the Paris International Conference on Cambodia as soon as possible, thereby restoring peace, independence, sovereignty, and territorial integrity to Cambodia.

We are always prepared to support and cooperate with the Supreme National Council headed by Samdech Norodom Sihanouk, a UN transitional authority, and a UN peacekeeping force in correctly implementing an agreed comprehensive political settlement reached at the Paris international conference on the basis of the unique five-chapter framework document.

In conclusion, we would like to profoundly thank the cochairmen of the Paris International Conference on Cambodia and the whole international community for their drive to fairly, justly, and definitively settle the Vietnamese war of aggression in Cambodia.

We wish complete success to the meeting among the four Cambodian parties that has been arranged by the Paris international conference cochairmen.

[Dated] Cambodia, 16 December 1990

390 SRV Troops Shipped to Battambang 10 Dec

BK1812020690 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Dec 90

[Text] According to our national resistance forces operating on Battambang battlefield, on 10 December the Hanoi enemy aggressors sent 13 trucks loaded with 390 Vietnamese troops from Vietnam through National Route 1 via Phnom Penh City and the Kompong Chhnang and Pursat provincial towns to the town of Battambang Province. After a day of rest in the provincial town, the soldiers continued their journey along Route 10 to Kamping Puoy [in Sisophon District, Battambang Province].

Sihanouk Sends Birthday Greetings to Thai King

BK1412101190 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 13 Dec 90

[Birthday greetings from Norodom Sihanouk to Thai king issued in Paris on 1 December]

[Text] To the Thai king:

On the occasion the Thai nation happily celebrates your 63d birthday, I am honored to express to you respectful and warmest congratulations and best wishes for your reign, for the happiness and continued progress of the valiant Thai people, and for the general progress of Thailand.

On this happy occasion, I would also like to express to you profound gratitude forever for your kindness to Cambodian refugees and for your precious contribution to the search for peace for Cambodia.

It is with these sentiments that I ask you to accept my high consideration.

[Dated] Paris, 1 December 1990

[Signed] Norodom Sihanouk

Indonesia

New Trade Union Meets in Defiance of Warning

BK1812072490 Hong Kong AFP in English 0712 GMT 18 Dec 90

[Text] Jakarta, Dec 18 (AFP)—Indonesia's new trade union movement, Setia Kawan, has held its first congress and drafted a plan of action despite government warnings that it may be declared illegal, its leaders said Tuesday.

The congress Saturday and Sunday set up 13 different unions in the Setia Kawan (Solidarity) Federation, elected its Supreme Executive Council and opened the organisation to new members and to the business of handling disputes, they said.

The government has warned it will not tolerate the Setia Kawan Free Trade Union Movement, set up in September, saying that by law, the All Indonesian Workers Association (SPSI) was the sole recognised labour group.

"We based our action on the 1945 constitution which recognises the freedom to organise," Setia Kawan President Johannes Princen told a press conference. "We have no rift with the SPSI and we're ready to recognise them unless they let down workers or act against their interests," said Mr. Princen, from the Netherlands but now a naturalised Indonesian, who also heads the Institute for the Defense of Human Rights.

Setia Kawan's aim was to defend workers' interests by improving their conditions to the standards set by the International Labour Organsation (ILO), he added. He said these include getting higher minimum wage levels and improving terms with regard to health benefits, holidays and work safety. Citing the case of Jakarta, he said the minimum wage level should be set at three U.S. dollars instead of the current 1.50 U.S. dollars.

Home Minister Rudini has warned that Setia Kawan would not be recognised when it tried to register with his office, as all organisations are legally required to do, while Coordinating Minister for Political Affairs Sudomo has said the government would not tolerate a second trade union movement.

Setia Kawan Secretary General Saut Aritonang said the federation planned to take up its demands with the ILO, the International Confederation of Free Trade Union (ICFTU) and other International Labour Groups if the government blocked its members handling labour disputes.

Asked about strikes, a right recognised by law but which the government strongly discourages, Mr. Aritonang said: "If workers go on strike, that will be merely an application of the law."

Setia Kawan has already recruited 35,000 members, mostly workers in and around Jakarta on an individual basis but it hoped to eventually form representative units within companies, he added. The 13 groups in the Setia Kawan Federation include unions in government or governmment-run companies, in the transport, energy, oil, gas and mining sectors, and various unions in the manufacturing, trade and services' sectors.

SPSI was formed in 1973, sponsored by the government, from a merger of 21 industrial unions which were were abolished in 1985 when SPSI became a unitary group. It now claims a membership of some 900,000 out of Indonesia's workforce of 74 million.

The government, in an apparent bid to to improve its human rights image abroad, began a crackdown this year on companies failing to meet minimum wage requirements and in August lifted a 27-year ban on strikes for workers in strategic industries.

Sources close to the ILO said Tuesday they were "prepared to cooperate provided that clearance is received from the government". The issue, they said, "will be raised for the second time" Wednesday in a regular meeting with representatives of the government, employers and SPSI. It was discussed for the first time two months ago. The same sources did not exclude the possibility that Setia Kawan might have had contacts with ILO Headquarters in Geneva.

Laos

More Government, Media Reaction to Li Peng Visit

Foreign Ministry Comments

BK1812052290 Vientiane Domestic Service in Lao 0000 GMT 18 Dec 90

[Statement by (Bounmi Vongvichit), Lao Foreign Ministry's spokesman on the official friendship visit to Laos by PRC Premier Li Peng delivered at a news conference in Vientiane on 17 December—recorded]

[Text] At the invitation of Comrade Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party [LPRP] Central Committee and chairman of the Council of Ministers of the Lao People's Democratic Republic [LPDR], PRC Premier Comrade Li Peng paid an official friendship visit to the LPDR from 15 to 17 December 1990.

During the visit, Comrade Li Peng, his wife, and entourage visited a number of ancient sites and cultural bases in Vientiane Municipality. The high-level Chinese delegation also paid courtesy calls on Comrade Phoumi Vongvichit, member of the party Central Committee Political Bureau and acting president of the LPDR and Comrade Nouhak Phoumsavan, member of the party Central Committee Political Bureau and chairman of the Supreme People's Assembly of the LPDR. The meetings proceeded in an atmosphere of intimate friendship, testifying to the good relations between the two fraternal countries. The Lao leaders extended their best regards and friendship to the PRC party and state leaders.

On 16 December, Comrade Kaysone Phomvihan, Comrade Li Peng, and their delegations held official talks which proceeded in an atmosphere of intimate friendship, brotherhood, and mutual understanding. The Chinese side informed the Lao side on its attitude towards international and regional developments. Touching on Sino-Lao relations, Comrade Premier Li Peng notified the Lao side about the PRC Government's decision to grant an interest-free loan of 50 million renminbi to the LPDR for basic economic projects and to help it build a satellite television ground station—a gift to the LPDR.

The Lao side informed the Chinese side about internal developments, such as the ongoing implementation of the socioeconomic development policy and its attitude towards international and regional developments. It also increased efforts to step up Sino-Lao relations for the present and in the long run. The Lao side acclaimed the great successes scored by the Chinese people under the CPC leadership, particularly the implementation of economic reform and open-door policies, which have created and boosted the overall strength of China and improved the living standards of Chinese people.

The two sides noted the further expansion of relations and traditional unity and mutual assistance between the two countries following Comrade Kaysone Phomvihan's official visit to the PRC in late 1989. They expressed their satisfaction over the progress of Sino-Lao border talks. The two countries will soon sign an agreement to turn their common border into one of peace, friendship, and cooperation in line with the aspiration of the peoples of Laos and China. The Lao side maintains that in the face of continuous expansion of bilateral relations in various fields, it is necessary for the LPDR and PRC to open their consulates general in each other's country to further promote already good bilateral relations for the common interests of the Lao and Chinese peoples.

Both sides exchanged views on a number of international and regional issues of common interests and shared identical views on many problems.

The Lao side highly appraised the success of Comrade Premier Li Peng's historic visit, regarding it a great contribution to strengthening friendly relations, solidarity, and comprehesive cooperation between the LPDR and PRC and peace and cooperation in the region.

Comrade Li Peng conveyed an intivation from PRC President Yang Shangkun to Comrade Phoumi Vongvichit to pay an official friendly visit to the PRC. Comrade Li Peng also invited Comrade Kaysone Phomvihan to visit and rest in the PRC. The Lao leaders expressed thanks for the invitations and accepted them with pleasure. The dates of the visits will be worked out later by both sides.

Daily Welcomes Visit

BK1812100990 Vientiane Domestic Service in Lao 0000 GMT 15 Dec 90

[15 December PASASON editorial: "Lao-Chinese Friendship Flourishes Forever"]

[Text] Beloved listeners, today Vientiane residents, together with all Lao people throughout the country, are very glad to have an opportunity to welcome a delegation of the PRC Government led by Premier Li Peng, which will pay an official visit to our country. PASASON, organ of the Lao People's Revolutionary Party, in its issue today has published an editorial entitled, "Lao-Chinese Friendship Flourishes Forever." The editorial reads as follows:

The Lao People's Democratic Republic and the PRC are neighboring countries which long have maintained good relations. The Lao and Chinese peoples all along have visited and helped each other. Lao-Chinese relations, including visit and trade exchanges—in particular trade between the peoples of the two countries along common border areas—have been satisfactorily promoted each day, especially following the official visit to the PRC by Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers, in October last year.

The economic and trade relations between the two countries also have entered a new stage of development, and they have been restored in all respects. Following the visit by Comrade Kaysone Phomvihan on that occasion, the two sides have agreed to improve and upgrade the level of diplomatic relations as well as to broaden, promote, and expand, ever more fruitfully, the exchanges of goods between the two countries based on the principles of equality and mutual benefits. Based on these principles, the two countries have signed many agreements on trade and goods exchanges, including an agreement on economic and scientific cooperation, an agreement on trade cooperation for 1990, and an agreement on cooperation in explicitly settling remaining border problems.

Through the said concrete achievements, it can be reviewed in general that in 1989 the trade volume between the two countries, including trading along the border, amounted to as much as 7.128 million dollars. Between January and September this year, the import and export volume of the two countries increased to as much as 10.49 million dollars. In general, the LPDR has sold to the PRC the following major types of goods: timber, plywood, rubber, coffee, and tea leaves. The PRC has also sold to Laos many types of goods, ranging from daily consumer goods and electrical appliances to small passenger planes and other items. Though these are still incomplete statistics, they have clearly shown the new development of trade and economic relations between Laos and China. The economic relations at the local level and the goods exchanges along the border areas between the peoples of the two countries, as well as the exchanges of visits by delegations at all levels, have proven that Lao-Chinese relations have been rapidly and vigorously developed and fraternal friendship has also flourished.

PASASON noted in the conclusion of its editorial that the official visit to the LPDR by Comrade Li Peng, premier of the PRC, on this occasion marks a new milestone for the promotion to a new, ever higher level, of the already developed friendship and cooperation between the two countries on the basis of the principles of equality and mutual benefits. It will thus significantly contribute to improving relations between the two countries on a daily basis.

The multiethnic Lao people wholeheartedly welcome the visit to the LPDR of Comrade Li Peng, and wish Comrade Li Peng and delegation glorious success in the visit on this occasion in the interest of the national causes and for the benefits of the two peoples of Laos and China. May the Lao-Chinese friendship flourish forever!

Phoumi Warns Hmong About Rebel Expatriates

BK1712124190 Vientiane Domestic Service in Lao 0000 GMT 16 Dec 90

[Greetings message from Phoumi Vongvichit, member of the party Central Committee Political Bureau, acting president of the Republic, and chairman of the Lao Front for National Construction Central Committee, to the Lao Hmong tribal people on the occasion of the traditional Boun Kin Chiang New Year celebration on 15 December—recorded]

[Text] Beloved Lao Hmong tribal compatriots:

On the occasion of the traditional Boun Kin Chiang New Year celebration for 1990, I, on behalf of the party, government, Lao Front for National Construction [LFNC], and myself, would like to extend my warmest greetings and most intimate unity and affection to all Lao Hmong tribal compatriots throughout the country. I wish you joyful celebration of your traditional New Year festival as you maintain peace and order in the country and strive to increase production of goods to improve step by step the living conditions of the Lao Hmong tribal people.

You, the Lao Hmong tribal people, are celebrating the traditional Boun Kin Chiang New Year festival this year at a time when the people of all tribes in our country are scoring great victories from harvesting their crops, particularly rice, nationwide and enjoying the brilliant success of the celebration of the four major historic events. Apart from that, high-level delegations from many countries have visited our country and extended unity and intimate affection to our people, thus further enhancing the prestige of our Lao Government in the international arena. At the same time, our government also sent several high-level delegations to visit many friendly countries and signed agreements with them under which they have pledged to render cooperation and assistance in different fields to the Lao People's Democratic Republic [LPDR].

The above-mentioned developments are in conformity with the aspiration of the Lao multiethnic people who want to develop their country in peace, and must be attributed to the correct and clearsighted lines and policies pursued by our party and state and to the unity and solidarity of the Lao multiethnic people within the LFNC and their contribution to the implementation of such lines and policies.

The Fourth Lao People's Revolutionary Party [LPRP] Congress and the Second Congress of the LFNC hailed the glorious achievements scored by the multiethnic Lao people and sincerely called on the Lao multiethnic people inside and outside the country to enhance their love for their motherland and make joint efforts to do everything within their power to contribute to developing our country into a more prosperous and progressive entity. If the Lao multiethnic people are closely united in simultaneously executing the two strategic tasks as stipulated by our party and state and the four main duties assigned by the LFNC, our country will become more progressive and prosperous and our Lao Hmong compatriots will be able to celebrate the Boun Kin Chiang New Year festival next year in an even more joyous mood than this year.

I would like to take this opportunity to remind all Lao Hmong tribal compatriots, as well as the entire Lao people throughout the country, that the enemies of our Lao nation have not yet abandoned their warmongering line of thinking aimed at dividing the multiethnic Lao people and buying off simple-minded and unprincipled elements to turn them into tools for causing disturbances in our country, thereby imposing more difficulties on our people in carrying out their livelihood.

At present a small number of the Lao multiethnic people in foreign countries who have no means of earning a living have fallen into the enemy traps by taking bribes from the enemies to carry out deceptive propaganda to distract and create insecure feelings among the peace-loving Lao people, who are developing the country with full confidence in their own future, or to instigate the latter to use the weapons in their possession to create disturbances in the country by sniping at passenger boats and buses, to launch propaganda against the party and state and our compatriots who are developing the country in peace, and to rob and plunder the people in an inhumane manner.

In face of the changing situation in the country and world, I, on behalf of the party, government, and LFNC, would like to take this opportunity to call on the Lao fraternal people of all tribes to have confidence in your own bright future, to be closely united and highly vigilant against the enemies' schemes, energetically implement the two strategic tasks of national defense and construction, and, at the same time, carry out the four main duties of the LFNC: defend the country and maintain public security; increase production to achieve prosperity for the people; promote education and public health works; and improve and renovate culture and nurture religion.

I call on every Lao compatriot of every tribe to actively learn new knowledge in culture, politics, and law, modify the old concept, and create a new firm concept to catch up with the progress in our country and the world. I call on all Lao fraternal people of every tribe to energetically contribute to implementing the new modern mechanism for managing the state, the economy, and society in accordance with the lines and policy of the party and laws of the state for your own well-being. I call on all Lao fraternal people of every tribe to step up and strengthen our militant alliance and special solidarity with the fraternal peoples of Vietnam and Cambodia, who used to fight from the same trenches against common enemies and closely unite and comprehensively cooperate with the peoples of the Soviet Union and other fraternal countries who have been struggling for peace, justice, and social progress to guarantee peace, stability, and cooperation in this region and throughout the world.

I hope that with joyous and ardent spirit and with faith in the party and state leadership, the Lao Hmong people, who are reputed for their traditional sense of patriotism, unity, heroism, and diligence in labor to produce for their own goods for consumption and export, will join hands with the people of all tribes throughout the country to continue enhancing and broadening the fruits of the victory we have scored in the past years by uniting more closely with one another to turn 1991 into a year of vigorous changes in our line of thinking and deeds, thus ensuring the fulfillment of the party and state's two strategic tasks and the four main duties assigned by the LFNC, political tranquility, and social order.

Report on Cooperation Between Vientiane, PRC

BK1512123690 Vientiane KPL in English 0913 GMT 15 Dec 90

[Text] Vientiane, Dec 15 (KPL)—Now economic and trade cooperation between Vientiane Municipality and Chinese Guangdong, Yunnan and Guangxi Provinces is positively being stepped up, disclosed the Municipal Trade and Industry Service.

Since early 1990, the sides have signed several notes on economic cooperation in various fields. Soon, a Chinese department store will be open in Vientiane.

In addition, in the form of joint business to be conducted here, there are a wood and furniture factory in which US dollars 100,000 investment will be made by the Chinese side and an agricultural crops experiment center with about US dollars 100,000 Chinese investment to be implemented in 1991.

Also signed was the joint investment in setting up of a mixed enterprise to distribute Yunnan goods, a mixed enterprise to produce 2,000,000 metres of textile a year.

The Municipal Trade and Industry Service also stated that the Chinese side is interested in cooperation with Vientiane Municipality to contract the construction works here.

Acting President Thanks Li Xiannian for Greetings

BK1712154190 Vientiane KPL in English 0900 GMT 17 Dec 90

[Text] Vientiane, Dec 17 (KPL)—Acting President Phoumi Vongvichit of the Lao PDR [Lao People's Democratic Republic], who is also president of the central Lao Front for National Construction, has recently sent a message of thanks to Chairman Li Xiannian of the Chinese People's Political Consultative Conference for his greetings sent to the acting-president on the occasion of the 15th founding anniversary of the Lao PDR.

Phoumi Vongvichit expressed pleasure at seeing the rapidly restored and developed relations of friendship between Laos and China and pledged the Lao people's effort to step up these relations.

Cambodian Leaders Greet Kaysone on Birthday

BK1712125590 Vientiane KPL in English 0904 GMT 17 Dec 90

[Text] Vientiane, Dec 17 (KPL)—Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee, chairman of the Council of Ministers of the Lao PDR [Lao People's Democratic Republic] on his 70th birthday received a joint message of greetings from Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee, and Hun Sen, chairman of the Council of Ministers of the State of Cambodia.

The Cambodian leaders wished him good health and greater success in his leadership, and wished the relations of friendship, special solidarity and all-round cooperation between the two countries last eternally.

Delegation Departs for French Party Congress

BK1712130990 Vientiane KPL in English 0911 GMT 17 Dec 90

[Text] Vientiane Dec 17 (KPL)—A delegation of the Lao People's Revolutionary Party led by its Central Committee member Mr. Bouathong who is also minister of communication, transport, post and construction, on December 15 left here for Paris, France, to attend the 27th Congress of the Communist Party of France.

The more than one week congress will start on December 18.

The delegation was seen off at the Wattai Airport by Mr Thongloun Sisoulit, LPRP CC [Lao People's Revolutionary Party Central Committee] member, deputy head of the LPRP CC's Foreign Relations Board and deputy minister of foreign affairs, and other Lao officials.

Vientiane, UNDP Sign Telecommunications Program

BK1812113590 Vientiane KPL in English 0934 GMT 18 Dec 90

[Text] Vientiane, Dec 18 (KPL)—A new cooperation programme of UNDP [United Nations Development Programme] in telecommunication was signed here yesterday by Mali-gna Sai-gnavong, director of the International Organisations Department of the Ministry of Foreign Affairs, and Miss Carroll Long, resident representative of UNDP to Laos.

Jointly financed by the UNDP and the World Bank and with a 4,700,000 American dollars budget, the project will help the Lao Government realise a programme of expansion and modernisation of telecommunication services and introduce the state enterprise of telecommunications and posts to the capacity of necessary management, operation and maintenance.

This project of the UNDP, integral part of a global investment programme amounting to 45,500,000 American dollars in telecommunication sector and co-financed by the International Development Association and the Japanese Government, will mobilize necessary consultations and expertises for the realisation of the investment and provide a programme of necessary training of personnel in the services.

Technical Border Subcommittees Continue Talks

BK1712124090 Vientiane KPL in English 0902 GMT 17 Dec 90

[Text] Vientiane, Dec 17 (KPL)—The technical border subcommittees of Laos and Thailand, on December 12 jointly conducted anot[illegible] fact finding on the spot on an area bordering Boten District of Lao Sayaboury Province and Chat Trakan District of Thai Phitsanulok Province, disclosed the Lao-Thai border technical subcommittee.

The points inspected as specified are the Heuang River watershed, the Heuang Nga River watershed, and the confluence of these two rivers.

The border subcommittees of the two sides will also continue their talks in Vientiane to exchange views on legal aspect by taking into account the result of the fact finding of the related geographical characteristics.

Traditional Baisi Ceremony Held for Kaysone

BK1512123890 Vientiane KPL in English 0911 GMT 15 Dec 90

[Text] Vientiane, Dec 15 (KPL)—A baisi ceremony, Lao traditional service of wishing, was organised on December 13 at the meeting hall of the Council of Ministers for Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee, chairman of the Lao Council of Ministers, on the occasion of his 70th birthday (Dec 13, 1990).

The organiser of the baisi ceremony was the Committee of the Vientiane Municipal Front for National Construction.

Philippines

Aquino Reaffirms Support for Orbos

HK1812110590 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 18 Dec 90

[By Dick Sinchongco]

[Text] President Cory Aquino supported the proposal to abolish some government departments and merge others. The president assured that the government will continue to study measures to effectively streamline the bureaucracy, stressing that the delivery of basic services to the people will not be affected. Earlier, Acting Executive Secretary Oscar Orbos announced the measures being undertaken for the reorganization of the bureaucracy. Orbos also wanted to merge several government departments with other agencies for a more effective delivery of services, and to reduce government spending.

Meanwhile, the president reaffirmed her support for Executive Secretary Oscar Orbos, saying she supports every move taken by Orbos in line with his discharging of his duties as executive secretary.

Calls Growing for President Aquino's Resignation

OW1812111690 Tokyo KYODO in English 1048 GMT 18 Dec 90

[Text] Manila, Dec. 18 (KYODO)—Some 500 housewives banged on tin pans and chanted "Cory Resign" Tuesday to the cheers of employees watching from high-rise buildings in the Makati financial district in Manila.

The protestors, led by members of the "Corazon Aquino Resign Movement at Once" (CARMA), demanded the resignation of President Corazon Aquino over what they said was the inefficiency and corruption they said plagues her government.

"We should convince President Aquino to resign in a peaceful and democratic manner," former Congressman Homobono Adaza, a former staunch Aquino ally, told the protestors.

Opposition politicians told a press conference Monday that CARMA has gathered close to two million signatures supporting their demand for Aquino's resignation, and that the drive would continue until they reach the three million mark.

"We cannot wait for 1992. The only peaceful alternative to change in this government is for Cory (Aquino's nickname) to resign," said former Senator Eva Estrada Kalawa, a cousin of Aquino and chairman of CARMA.

At Tuesday's rally, women members of the movement solicited signatures supporting the call for Aquino's resignation, while their companions banged on tin pans to the staccato beat of an ethnic dance.

Aquino entered the campaign against Marcos after a one-million signature campaign by supporters. In 1986, a peaceful revolution catapulted her to power.

The calls for Aquino's resignation come amid continuing protests over the 45 percent increase in fuel prices granted two weeks ago.

Aquino has already accepted the resignation of two key cabinet secretaries, Executive Secretary Catalino Macaraig and Trade Secretary Jose Concepcion, amid public pressure for change in her government.

Ramos Pledges Continued Support for Aquino

HK1712024090 Manila Far East Broadcasting Company in Tagalog 0100 GMT 17 Dec 90

[Text] Defense Secretary Fidel Ramos has pledged the support of the Department of National Defense and the Armed Forces of the Philippines for President Aquino until the end of her term in 1992. Ramos made this pledge despite calls by various sectors for the president to relinquish her post and call a snap presidential election.

During his address to the First Regional Convention of the League of Barangay Councilmen of the Philippines, Ramos said he did not approve of the proposal to hold a snap election since this would only bring more trouble and additional problems for the country. He added that Mrs. Aquino should not do anything to encourage holding a snap presidential election.

Ramos: Budget Cuts To Adversely Affect Military

HK1812032190 Manila Far East Broadcasting Company in Tagalog 0100 GMT 18 Dec 90

[Text] Defense Secretary Fidel Ramos has warned that the proposed 10-15 percent cut in the 1991 military budget will adversely affect the Armed Forces' modernization plan. According to the defense secretary, the Philippine Navy will likewise be adversely affected if a 1-billion peso [P] allocation for its 10-year development plan is reduced by P200 million. Secretary Ramos said the plan to purchase Navy ships from Australia, as well as development plans for the Navy, would have to be shelved.

At the same time, Major General Gerardo Protacio, chief of the Air Force, said that the budget cuts would greatly curtail the Air Force's plan to buy SIAI-Marchetti S-11 jets as part of its modernization program.

Secretary Ramos said he would urge Congress to maintain the original budget, especially for the Philippine Navy which is the agency most in need of more financing to help in the nation's defense.

Budget Cuts Unpopular

HK1712141190 Manila Radio Veritas in Tagalog 1300 GMT 17 Dec 90

[Text] The leadership of the Armed Forces of the Philippines [AFP] complained about the big cut in the budget allocation for the Department of National Defense. They said it will affect the AFP's modernization program. Noemi Alcala has the details:

[Begin recording] Several AFP top officials said that the budget cuts in the intelligence fund would affect sensitive projects. Defense Secretary Fidel Ramos and other military officials had this reaction after Congress last week approved the modified version of the proposed 1991 budget. This includes a 50 percent fund reduction from the intelligence unit and allotting an amount for the Philippine Navy's modernization only. The AFP leadership requested a supplemental budget to modernize the Navy, Army, and Air Force. Ramos explained that this House version would delay the modernization program needed by the AFP and it will lag behind its Southeast Asian counterparts. According to Brigadier General Gerardo Flores, Philippine Constabulary chief of staff, drastic cuts in the intelligence fund would seriously affect the ongoing anti-insurgency activities, as well as overall national security. [end recording]

Officers Support National Police Law

HK1712061690 Manila MANILA BULLETIN in English 17 Dec 90 pp 1, 28

[By Robert Requintina]

[Text] Members of the PC [Philippine Constabulary]-INP [Integrated National Police] Officers Corps hailed President Aquino and Congress leaders yesterday for the establishment of the Philippine National Police (PNP) as they expressed optimism that the merger of the Philippine Constabulary and the INP would result in a market improvement in law enforcement and police administration.

The PC-INP Officers Corps also thanked the national leadership for "taking due consideration of our special concerns in the provisions of the bill."

They said they were happy that a common ground was reached despite the difficulties in the enactment of the PNP legislation to satisfy the different and sometimes conflicting needs of the organizations, the PC and the INP.

The Officers Corps also lauded the President for choosing Maj. Gen. Cesar Nazareno, PC-INP chief, as the first PNP director general.

"President Aquino made a very logical choice in naming General Nazareno as the first PNP director general. He is a tested leaders of men not only in actual combat but also in the more complex task of running the affairs of the PC-INP at higher headquarters," they said.

In a press statement, they said "we are optimistic that the merger of the PC and the INP would create a synergy that would result in market improvement in law enforcement and police administration."

"The PNP could only benefit from the tradition of achievements of both the PC and the INP which were oftentimes overlooked by many. We all see the blooming of one solid, unified, and highly motivated police force," they added.

The country's firemen on one hand, said that under the new law, the Fire Prevention Bureau will become a separate entity from the PNP.

This, they said, is in contrast with the present setup wherein the fire service is attached with the INP.

Camp Crame sources said that F [fire]/Brig. Gen. Ernesto Madriaga, INP chief fire marshal, will most likely head the new fire bureau.

Nazareno also called for renewed commitment toward full professionalization of the country's fire service.

Nazareno also stressed the importance of a positive change in public perception toward the efforts of firemen in preventing and fighting fires.

He also commended the full cooperation and accomplishments of volunteer firefighting units in support of the country's firefighters.

Region 11 Security Situation Assessed

HK1712140390 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 17 Dec 90

[Text] Communist rebels will continue to create trouble and sow terrorism in Region 11 in 1991. This was the assessment of top military officials in Davao City as they held a meeting to discuss the peace and order situation in the area. According to Colonel Arnulfo Hubillos, Region 11 deputy regional commander for administration, the Communist Party of the Philippines-New People's Army-National Democratic Front remains the biggest threat to security. Meanwhile, he reported that 75 firearms were confiscated by the military from the communist rebels in Region 11 this year.

Rebel Offer To Exchange Captives Turned Down

HK1712024490 Manila Far East Broadcasting Company in Tagalog 0100 GMT 17 Dec 90

[Text] Top military and Defense Department officials have turned down a communist rebel offer to exchange captives during the Christmas season. According to Visayas Command chief General Romeo Zulueta, soldiers being held by enemies of the government are considered casualties who cannot be used as political pawns.

Meanwhile Defense Secretary Fidel Ramos elaborated on his statement made to the National Democratic Front about the Christmas and New Year's ceasefire, saying it was still not a formal agreement. Ramos said the government is open to any proposals made by the communist group.

Meanwhile the Young Officers' Union [YOU] has declared its agreement on a cease-fire, which means a suspension of all military operations by both sides. According to Felix Servando, one of the leaders of the Democratic Front for Philippinism, the entire YOU organization wishes to unite with the entire Philippine nation in making Christmas and New Year's Day peaceful and happy, in the face of the economic crisis. Servando said an agreement has been reached between leaders of both sides to declare a 48-hour suspension of offensive operations as of December 24.

Local Communist Rebel Chief Approves Cease-Fire

HK1812105990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 18 Dec 90

[Report by Benjie de Galicia from Southern Quezon]

[Text] This concerns the lateral agreement with the Armed Forces of the Philippines and a directive by President Corazon Aquino for a cease-fire between the military and the CPP-NPA-NDF [Communist Party of the Philippines-New People's Army-National Democratic Front] on midnight of 24 December to 25 December and 31 December to 1 January. Comrade Lando, the Apolonia Mendoza Command commander in Southern Quezon, announced that they agree with the government's proposal for a cease-fire. Through our VHF communication, we were able to get a brief statement from Comrade Lando regarding this matter:

[Begin recording] This proposal for me is alright. We heard from our transistor radio yesterday and this morning that Cory Aquino has offered a cease-fire. We are willing to agree on a cease-fire. But it is important that we wait for an order from the CPP-NPA national leadership. Whatever their decision is, we will obey. [end recording]

Meanwhile, the Apolonia Mendoza Command opposed the integrated development program in the Bondoc peninsula, which according to Comrade Lando does not help the farmers' progress, but is a mere step to fight insurrection in Quezon Province, particularly in the Bondoc peninsula.

Communist Party Legalization Talks Suspended

HK1712060290 Manila THE MANILA CHRONICLE in English 17 Dec 90 pp 1, 8

[By Lito Zulueta]

[Text] The government has suspended its discussions on the possible legalization of the Communist Party of the Philippines [CPP] following a spate of political violence blamed on the armed Left, Malacanang officials told the CHRONICLE.

Press Secretary Tomas Gomez III said the discussions were initiated by Cabinet Cluster E, the powerful committee on political and security matters, last October in response to a resolution by the Church-backed national Peace Conference. The conference was led by former president Diosdado Macapagal, an advocate of the CPP's legalization.

At the time, the government had made tremendous gains in seeking a peaceful settlement of the insurgency conflict by holding talks with a number of peace advocates, who were also supported by Christian denominations.

The talks have so far led to a suspension of military offensives against the insurgents in areas in the north which were damaged by the July 16 earthquake as well as in Metro Manila.

But Gomez, a Cluster E member, said the violent general workers' strike called by the unions to press for a wage increase last Oct. 24 prompted the committee to shelve plans for the CPP's legalization.

The strike saw the burning of buses and killing of several policemen and civilians. The violence was blamed by moderate unions on communist infiltrators.

Gomez said the recent killings of lawmen and two moderate union leaders in Metro Manila showed the determination of the communist movement to destabilize the government rather than seek peace, contrary to the claims of the peace advocates.

"This is not the right time to talk about legalizing the CPP," Gomez said. He assured, however, of government's openness in exploring such prospect.

According to Gomez, the discussion, before they were suspended, set down two conditions for the legalization of the Communist Party. "They should foreswear violence and pledge allegiance to the Constitution," he said.

But a Malacanang security official, who refused to be named, put the conditions differently.

"The conditions are the acceptance of the democratic principle and expressed willingness to work within the democratic system," the official said.

The official pointed out, however, that the "implied result" of the conditions as he worded them was the laying down of arms by the communists.

"The center is the democratic system, the basic premise is the acceptance of the democratic principle," he said. "As for the laying down of arms, it is best not to mention that at this time."

The official said the government is closely watching the general strikes that would be launched by radical unions to protest the Dec. 5 petroleum price increases, indicating that the government would make another go at legalizing the CPP if the protests were conducted peacefully.

Early this month, the government declared a nationwide suspension of military offensives against the rebels during Christmas and the New Year. The insurgents last Saturday made their own declaration.

Press Undersecretary Horacio Paredes said that although the violent Oct. 24 strike and other communist violent activities had set back the talks between the government and peace advocates, both panels should observe "patience" in exploring means to end the insurgency conflict peacefully.

Paredes added he was optimistic the "ceasefire talks" between the government and the rebels would take off next year.

Rebels Attack Cebu Police Station, Steal Arms

HK1512090590 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 15 Dec 90

[Text] In Camp Crame, PC-INP [Philippine Constabulary-Integrated National Police] chief Nazareno called for a probe of a clash in Cebu, which reportedly is one of the worst attacks this week by the communist rebels. The encounter lasted an hour, with no troop reinforcements being sent to the Sogod Police Station. The rebels made off with weapons from the station armory, with not a shot fired by the police.

Reports said the rebels commandeered a passenger bus at an New People's Army checkpoint some kilometers from Sogod. The [illegible] identified themselves to 100 passengers of the bus, which included police Captain Celestiano Kamingking, as members of the Regional Special Action Force. When Captain Kamingking identified himself, the rebels attacked the bus and took the passengers hostage. They were released some kilometers from Sogod. The rebels stole weapons from the Sogod Police Station armory and fled into the mountains.

General Nazareno has ordered an investigation of the Sogod police.

Soldiers, Communist Rebels Clash; 23 Slain

HK1712143590 Manila Radio Veritas in Tagalog 1300 GMT 17 Dec 90

[Excerpt] Twenty-three persons have been killed due to clashes between soldiers and communist rebels in various parts of the country. Eleven rebels, four militiamen, and two civilians were slain in a raid on Sogod Town Hall in Cebu. The rebels pretended to be Philippine Constabulary men. [passage omitted.

15 NPA Members Killed in Davao del Sur

HK1712061890 Manila MANILA BULLETIN in English 17 Dec 90 p 8

[By Ped Velasco]

[Text] Davao City—Fifteen New People's Army [NPA] rebels were killed and a Constabulary soldier was wounded when a PC-INP [Philippine Constabulary-Integrated National Police] commando team raided a rebel camp at sitio Upper Mabaloy, Barangay Darapuway, Bansalan, Davao del Sur at dawn Saturday.

In a report to Col. Manuel Salimbangon, PC-INP Recom [Regional Command] 11 chief, Lt. Col. Douglas Rosete, Davao del Sur PC comander, said the rebels were caught unaware when the special task action groupo (STAG) struck.

Rosete said the fierce firefight between the government troopers and the rebels turned into a hand-to-hand combat.

Bodies of the slain rebels were still not retrieved from the battle scene as of yesterday afternoon.

The wounded PC soldier was C1C [Constable 1st Class] Edgar Evangelista.

The PC commander said the commando operation was organized after reports reached his command. The reports said some 30 rebels under "Commander Benzar" were temporarily encamped in the place.

He said there were actually more than 50 rebels encamped in the sitio when government troopers engaged the rebels in a two-hour fighting.

The rebels retreated when reinforcements from the regional special action force and the 46th Infantry Battalion arrived. They were supported by two gunships.

The guerrillas split into two groups and fled towards the mountains of Makilala, North Cotabato and Kapatagan, Digos, Davao del Sur.

11 Communist Rebels Arrested in Western Visayas

HK1312140590 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 12 Dec 90

[Text] Eleven members of the feared BBB [New Barangay Brigade], of the communist movement were arrested by elemnts of the Western Visayas Command [WESCOM] under the leadership of Brigadier General Braulio Balbas, Jr. This came as a result of military operations launched by WESCOM after receiving reports from the governor of Palawan Province. The report said that a large group of armed men raided Barangay Algeseras and Barangay Concepcion in Agutayap, Palawan. Those arrested were all members of the BBB, which was organized by Efren Rodriguez, alias Comrade Pepe or Alan Rodriguez. The captured Communists were identified as Walter Tatak, Felix Canio, Joel Mangayao, Benjie Miat, Boyet Mat, Jonathan Navanes, Daniel Aganda, Richelle Maat, Resty Sumalagasap, and Romy Baluarte.

Authorities confiscated two .38 caliber revolvers, a grenade, a home-made armalite pistol, communist teaching aids, and subversive documents. Among the last to be captured in the operation were Efren Rodriguez and Walter Tatak, president and vice-president of the BBB. Those captured were brought to Puerto Princesa, Palawan, to face appropriate charges.

Six Communist Rebels Killed in Ilocos Norte

HK1712095390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 17 Dec 90

[Text] Six communist rebels were killed and several others were wounded in an encounter with Philippine Army troops in Vintar, Ilocos Norte. According to the report received by Major General Guillermo Flores, the clash took place when the soldiers intercepted 200 rebels under the leadership of a certain Comrade Nelson in sitio Cascaya. The rebels fled toward Upper Cordillera after several minutes of fighting. Government troops are still carrying out extensive offensive operations.

Two Infantryman Killed in NPA Attack in Quezon

HK1512091790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 15 Dec 90

[Text] Two men connected with a Philippine Army 42nd Infantry Battalion patrol were killed and two others seriously wounded in Barangay San Vicente, Gumaca, Quezon, when they were attacked at midnight by 200 NPA [New People's Army] members headed by Ka [Comrade] Nando of the Apolonia Mendoza Command of southern Quezon. The soldiers reportedly were asleep when the attack took place. The two men killed were CAFGU [Civilian Armed Forces Geographical Units] members. Reports said the firefight lasted an hour. Two JBL-Philtranco buses, used by the rebels along the Maharlika Highway in San Vicente, reportedly bore streamers reading: NPA Raid December. After the attack, Ka Lando's group quickly fled toward Bondoc peninsula.

Thailand

New Foreign Minister Details Policy Plans

BK1712015390 Bangkok BANGKOK POST in English 17 Dec 90 p 1

[Text] Newly-appointed Foreign Minister Athit Urairat said yesterday his foreign policy would include a "multilateral barter system" to boost the country's economy.

Dr Athit also aims to bolster ties with Thailand's neighbours, irrespective of their political leanings.

He was speaking before leaving for Chitlada Palace to take an oath of allegiance before His Majesty the King along with other newly-appointed Cabinet members.

Dr Athit said he will closely coordinate with the Industry, Commerce and Agriculture Ministries to expand trade with other countries.

The Solidarity Party secretary-general, who took the ministerial post for the first time, said he would stress the need to improve relations with neighbouring countries such as Laos, Cambodia, Vietnam and Burma.

This bolstering of relations would take place regardless of their ruling political systems, he said.

"We will stress diplomatic ties and exchange of knowledge and goods.

"This is a new way of implementing the foreign policy. I think we will have to seek more cooperation from our neighbours," he said.

"How could Thailand be really at peace if our neighbours are not?" Dr Athit asked.

On the Cambodian problem, Dr Athit said attempts must be made to get all factions in Cambodia to talk to each other in order to get the problem settled as soon as possible.

"There must be a solution to the problem. It's now too soon for me to comment further. Please give me some time," he said.

He said in the present situation foreign affairs concerned mainly economic matters so it is important that the Foreign Ministry plays a bigger role in expanding markets for foreign trade.

Dr Athit also said the ministry's role in implementing the foreign policy will be more independent.

The policy will not be of any particular party, but of the Government, he said.

Dr Athit said diplomatic importance should not just be attached to ambassadorial posts in such cities as Washington, Paris and London.

Importance should also be attached to ambassadors in neighbouring countries, he said.

"The ambasadors in our neighbouring countries should be most intelligent and have high ability," Dr Athit said.

The minister said he will use education and public health as tools for expanding relations with the Indochinese states.

Thailand will extend more educational scholarships and medical assistance to them, he said.

Dr Athit will be briefed by the ministry's key officials today and at the same time he will tell the officials what he plans to do in the ministry.

New Finance Official Assures Cautious Policies

BK1712012790 Bangkok THE NATION in English 17 Dec 90 p B3

[By Watchara Charunsantikun and Sam-ang Wutisaksathit]

[Text] Newly-Appointed Deputy Finance Minister Chawalit Thanachanon has pledged to spend the Bt [baht] 97 billon fiscal surplus "cautiously and suitably" while reaffirming that the current 19 per cent interest rate ceiling will stay for the time being.

Chawalit also pledged to speed up the work on liberalization and deregulation of the financial market, the development of the capital market as a long-term fund mobilizer, tax reforms and establishment of the Securities and Exchange Commission.

In an interview over the weekend, the former central bank governor said the Thai economy is far from a crisis, despite the world economic slow-down and higher oil prices, due to healthy fiscal surplus and low debt service ratio.

Chawalit will start work at the Finance Ministry today where his main task is to conduct research and provide policy recommendations to the new finance minister, Banhan Sinlapa-acha, formerly interior minister.

Their appointments come at a crucial junction in the development of the economy, which is weathering increasing volatility in the international trade and finance and continuing uncertainties brought about by the Gulf crisis.

Banhan, in particular, has no experience in fiscal and monetary affairs but was appointed as finance minister due to his seniority in the Chat Thai Party, the ruling coalition partner.

The focal points of the new ministers will be managing the fiscal affairs and work with the Bank of Thailand on major monetary policies.

The fiscal position of the country remains sound at least, with a surplus of Bt97 billion which Comptroller General Mr Chatumongkon Sonakun wants to reduce to Bt60-70 billion through pre-payment and refinancing of local debts in the next two months.

There are fears that Banhan might try and use the fiscal surplus for political gains, such as using it to subsidize paddy prices and unproductive but politically popular projects.

In response, Chawalit said the surplus, which was created by good tax collection results and delay in many infrastructure projects, must be used "productively, cautiously and suitably". "This fiscal reserve must not be used to create another round of overheated economy," he said.

He said Thailand's creditworthiness in the eyes of international financiers was still good as the government sector has a low debt-service ratio of 8 per cent of the country's combined debt service ratio of 14 per cent, despite worsening inflation and balance of trade deficit.

Chawalit will also serve as the crucial link in overseeing activities related to the meeting in Bangkok of the World Bank and International Monetary Fund next October, although he admitted that he was unsure whether the government would stay that long.

Meanwhile, he supported the recent move by the Bank of Thailand to adjust the interest ceiling rate to 19 per cent, which was endorsed by former finance minister Wiraphong Ramangkun.

But questions have been raised on why the central bank still tries to control the interest rates in the credit market by allowing banks to put up the interest rate at 0.5 per cent each time when it was advocating a liberalization policy.

Bank of Asia Executive Vice President Chulakon Singhakowin said each bank has different cost structures and some customers, especially those engaged in property development, were willing to pay any price. He said the interest rates will be increasing in the next couple of weeks because of high money demand for the festive season.

Some banks are reportedly offering as high a deposit rate as 16 per cent as fierce competition for funds continues, especially among the branches.

Banking sources said Bank of Asia's headquarters may be offering a maximum deposit rate of 15 per cent, but its branch in Pahurat District is offering a rate of 15.69 per cent, and it is 16 per cent at the Bank of Asia's Nakorn Sawan branch.

The average deposit rate for the entire banking sector is said to be 14.75 per cent.

Need for Change in Government Style Cited

BK1612025290 Bangkok BANGKOK POST in English 16 Dec 90 p 3

["Weekend Analysis" by Banyat Thatsaniyawet: "Chatchai Needs New Style To Match Government's Image"]

[Text] The Chatchai Chunhawan Government has finally given itself a new facade by removing questionable ministers, bringing in a key opposition party and ousting two core coalition partners. But the Prime Minister needs utmost care in exercising his duty for the rest of his term.

Gen Chatchai will have to keep a high guard against the Opposition in Parliament and must be more sensitive in accommodating the feelings of new coalition members from the opposition wing.

He may no longer be able to perform his duty in his own style by carrying out the job first and telling relevant ministers later, as in the case of the Cambodian policy and lightning swapping of the interior and the industry portfolios.

This is because with 227 MPs [Members of Parliament]—only 49 seats above the majority margin—the Prime Minister will have to avoid hurting the interests of coalition partners.

The stability of his coalition will be on a tightrope if any of the coalition members turns from friend to foe. This applies in particular to the 62-strong Solidarity Party, which has become the second-largest coalition partner with a potentially strong bargaining force in the Cabinet because its withdrawal could precipitate an immediate fall of the Government.

Prime Minister Chatchai has gained repute for his dynamism and new initiatives in administering the country. He is the first and only prime minister to introduce the mobile Cabinet, taking his ministers to meet in the provinces to boost his government's image and deliver new hope to the people.

However, this idea turned out to be superficial and failed to deliver because of a lack of follow-up work and coordination. Several projects initiated during these mobile meetings have shown no result.

Worse are mammoth projects approved towards the end of the previous administration. These were approved hastily and viewed by many people as being tinged with corrupt motives.

It is hard to imagine how the Solidarity and Prachakon Thai parties will adjust to the new environment in the coalition as both parties, while in opposition, repeatedly levelled serious allegations against the Government.

It has been observed that Gen Chatchai's resignation last month was his trump card and, with this last card gone, the Prime Minister has no option left except dissolving the Lower House and washing his hands of politics if he ever runs into another political stalemate.

Before that day arrives, Gen Chatchai will muster all he has to ensure a good place in history. It is likely he will devote himself to clearing up his image of being leader of a government widely criticised as being most corrupt.

The lesson Gen Chatchai has learned from his decision to resign as prime minister is clear: No matter how overwhelming the support it may have in Parliament, the Government cannot survive if it runs into a crisis of confidence.

Democrat Party secretary-general Sanan Khachonprasat has declared his party, now out of the coalition, will set a precedent for other opposition parties by forming a watchdog team to monitor each individual Cabinet minister's work and to scrutinise Cabinet resolutions every week. The findings will be reported to the public.

The party's decision to withdraw from the coalition has been warmly welcomed by its supporters. It is expected the Democrats will utilise the remaining parliamentary term to restore their dented image and reputation.

Maj-Gen Sanan emphasised his party will have to work harder in opposition than when in the coalition because people have high expectations of it.

The Social Action Party, although it has not shown itself an equally effective opposition party, has a leader highly-reputed for his stinging oration and a sharp pen outside Parliament.

M.R. Khukrit Pramot is expected to use his interviews with the mass media and his column in a Thai daily to launch stinging criticism of the Government.

Given the pain of being thrown out of the coalition, it is expected M.R. Khukrit's criticism of the Government will be ferocious. He indicated this when he said from now on he will speak about things he could not cover when his party was still in the coalition.

The confrontation between the new government and the new opposition bloc can be expected soon when the Government reconvenes an extraordinary parliamentary session to announce its policies.

The debate on the policy statement is expected to be the first test of strength between the Government and the Oppostion and should be of note because the Oppostion is highly familiar with issues the Government is to present in Parliament.

Some of the new ministers may even debate issues their predecessors may have tried to bury when they left to join the Opposition.

SAP's 1st Opposition Goal: Higher Rice Prices

BK1612091490 Bangkok THE NATION in English 16 Dec 90 p A3

[By Naowarat Suksamran]

[Text] Social Action Party [SAP] leader M.R. Khukrit Pramot, apparently hurt by Premier Chatchai Chunhawan's decision to leave out his party from the new coalition, said yesterday he could not continue supporting "a baby which returns his favour with excrement."

At a news conference after a meeting of SAP MPs, Khukrit said his party would play the role of a "credible" opposition beginning with a campaign against the government's failure to boost paddy prices.

He said unless the newly-formed administration acted to help farmers, the problem could snowball into a major political crisis for the Chatchai II government.

Khukrit said the party instructed its MPs to gather information about the administration to back its new watchdog role in the Opposition.

The MPs discussed weaknesses in the new government's administrative structure with Chat Thai at the core, said Khukrit, who added that as long-time partner of Chat Thai, SAP was familiar with Chat Thai's style and weak points.

The SAP leader denied that Chat Thai dropped SAP but admitted that his party failed to meet the Friday deadline imposed by the former.

"The Chat Thai Party urged us to submit our list of new Cabinet nominees within Friday. And when we asked why the hurry, they said they had to stick to an astrologer's advice that the Cabinet list should be announced on Friday," Khukrit said.

He added that if the government stuck to astrology, then it could mean disaster for the country.

"What if an enemy is invading, we would not be able to defend ourselves if the government consulted the stars," he said sarcastically.

Khukrit said SAP had to reconsider its plan to join the Chat Thai-led coalition because the tacit agreement was based on the fact that they and the Democrat Party would form the axis in the new coalition.

He called a meeting of SAP MPs yesterday to reconsider the Chat Thai offer following the decision by the Democrat Party last Wednesday night to withdraw from the agreement, he said.

SAP Secretary General Montri Phongphanit said it appeared to him that Chatchai left out SAP because he was afraid that the party would follow in the footsteps of the Democrat.

He added that Chatchai phoned him twice in a bid to persuade SAP to stick to the gentleman's agreement.

Montri said SAP would try to serve as the core of the alliance of opposition parties, which would add the Democrat and Phalang Tham of Bangkok Governor Maj Gen Chamlong Simuang.

Burma Warns 'Foreign Powers' Against Meddling

BK1512151290 Hong Kong AFP in English 1456 GMT 15 Dec 90

[Text] Bangkok, Dec 15 (AFP)—A senior official of Burma's military government here on an official visit again warned foreign powers against meddling in Burma's internal affairs, a senior Thai military official said Saturday.

Lieutenant General Than Shwe, the State Law and Order Restoration Council (SLORC) vice-chairman and Burmese Army chief-of-staff, met with Thai Supreme Commander General Sunthon Khongsomphong before returning home Saturday.

The Burmese leader said Rangoon does not "look favourably towards any foreign power interfering in Burma's internal affairs."

"They (the Burmese officials) also requested that their internal affairs should be left to their concern, and foreign powers should not interfere in Burma's internal affairs, because outsiders do not know the intricate details of Burmese affairs," Gen. Sunthon said after the meeting.

Gen. Sunthon said the purpose of the high-level meeting between the Thai and Burmese military was to "review issues of mutual concern we have agreed upon" since Thailand first established relations with the SLORC in December 1988—three months after the Burmese military put down a student-led pro-democracy movement in Burma.

Border and internal security were expected to be high on the agenda of the Thai-Burmese talks, in view of the Burmese authorities' recent closure of the border trading point at Myawadi following a bomb explosion near the customs checkpoint a fortnight ago, observers here said.

The Burmese delegation was here also to attend the Asian defence services exhibition and conference exhibition featuring new defence technology.

Burma Offers New Conditions for Reopening Border

BK1712033390 Bangkok THE NATION in English 17 Dec 90 p 3

[Text] Mae Sot, Tak—Burmese authorities in Myawaddi have offered new conditions in talks with Thai officials on reopening the border, a Thai official source said yesterday.

The source said Burmese authorities have proposed three new conditions to Thai authorities after talks between the two sides on reopening the border failed when Thailand rejected conditions set by Burma.

The Burmese military in Myawaddi ordered the border with Mae Sot closed following a bombing on November 28 that wounded eight people.

The source said the three new conditions offered by the Burmese are:

—Thai and Burmese authorities would set up a joint committee to consider the bombing if security officials can arrest those who planted the bomb;

—Thai authorities are asked to stop dissident Burmese students and the Karen National Union rebels from using Thai territory to conduct activities against the Burmese government; and

—Both countries will take the same measures for inspecting goods to be sent across the border after all nine boat landings along the border reopen.

Meanwhile, deputy commander of Task Force 34, Col Wichai Athit said that before considering the conditions Thai authorities will have to find out at what level of authority the new terms were made.

"We want to know that because the Burmese always change their conditions," Col Wichai said.

Thai officials also want to know if the Burmese intend to withdraw the old conditions which have been rejected by the Thais.

Talks Fails To Settle Dispute

BK1812015990 Bangkok THE NATION in English 18 Dec 90 p A4

[Text] Mae Sot, Tak—A meeting of the Thai-Burmese Border Committee between Thai authorities and their Burmese counterparts from Myawaddi yesterday failed to settle differences on measures to prevent cross-border subversive activities at the Burmese border town.

Myawaddi has become a target recently for insurgents who have planted time bombs inside goods imported from Thailand. It is believed by authorities that Burmese minority rebels and dissident students are behind the incidents which killed and wounded several Burmese officials.

Security sources here said Thai officials at Mae Sot reopened discussions with their counterparts from Myawaddi yesterday on the Burmese demand that Thai authorities introduce stronger preventive measures against bomb-planters.

In previous discussions, local Thai authorities turned down demands which called for Thai customs officials to start checking all exported packages for time bombs and weapons and demanded joint investigations into suspected persons involved in the incidents.

Myawaddi is across the Moei River from Mae Sot with its 9 docks serving as border passes for goods moving into Burma.

Article Views Thai-Burmese Relations

BK1612031390 Bangkok THE NATION in English 16 Dec 90 p A4

[By Yindi Loetcharoenchok]

[Text] Prospects for Burma's democratization process in post-election are as opaque as they were in the past three decades with the country's armed forces continuing to hold complete political sway over the country. They continue as well to resist and suppress popular calls for change.

The rigidity of military rule has affected the Burmese to the extent that one Burmese generation has lost its political transitional link with the democracy of the pre-Ne Win era.

The continued refusal to transfer power to elected parliamentarians is indication enough that the military does not want to step down and is trying every possible means to prolong and protect its powerful institution despite the total loss of popular respect and trust. It will go on to play an important political role in the future even if a new elected government is allowed to be established.

Academics, student representatives and aid workers shared the view and called for a revision of current Thai policy on Burma at a seminar entitled "Future Direction of Democracy in Burma," held last week at Chulalongkon University's Faculty of Political Sciences.

The meeting organized by the Coalition for Peace and Development pointed out the present Thai policy benefits only a small group of business tycoons at the expense of national interest. They blame the Thai Government for ignoring human rights, humanitarian and democratic principles and of trying to strip the tremendous natural resources from the Southeast Asian nation at heavy cost to the Burmese people.

The forum was organized at the time when domestic sentiments and debates towards Thai policy on Burmese students are very strong following the hijacking last month by two Burmese students—the second incident of its kind to involve Thailand. Since then the Thai Government has decided to confine thousands of exiled students in a "safe border area"—a move which stirred both support and objections from Thais.

"The prospects for democracy in Burma in the near future are very dim" concur a former Thai Unicef official to Rangoon, Kiatchai Phongphanit and a Chulalongkon University academic Sunait Chutintharanon. Dr Sunait, the Faculty of Arts's Burmese history expert, predicts that "dissent and unrests will continue in Burma and can accelerate into an explosion which might result in either a better or a worse political situation."

Democracy died during 1958-1962 when Ne Win was allowed to run a caretaker government until 1960 before he staged a coup in 1962 to topple the democratic civilian government of U Nu, according to Dr Chaiyachok Chulasiriwong of the Chulalongkorn University's Political Science Faculty. "For 26 years (1962-1988) the military under Ne Win uprooted the democratization process in the country. It eradicated the public's knowledge of democracy and a generation of Burmese people lost their democratic links with ther pre-Ne Win era," the academic said.

A possible way out of the political dilemma is the intervention of the United Nations and the international community to impose an economic boycott and apply political pressure on the ruling junta in Rangoon. Chaiyachok and a student leader, Saowanii Chitrun, who is the secretary-general of the Students Federation of Thailand, proposed that the UN send a team into Burma to witness the process of power transfer as well as provide various necessary assistance. But their proposal contradicts those of Kiatchai and Sunait whose believe that the world body will neither take such a move in the very near future nor have much influence over Burma. In return, they urge the United States, the 12 members of the European Community and other Western countries to take such a step, but say it will take place only when the Gulf crisis is over.

"I don't think they will be much pressure from United Nations (on Burma) although Sweden tried to introduce a resolution in the world forum. I think the pressure will come from the United States in the future but only when the Gulf problem is resolved. The United States will probably look at Burma then," said Kiatchai.

Sunait raises an interesting point that Western pressure will not work as long as countries in the region especially Thailand do not support the move.

"Even though super powers become serious about Burma, their attempt will not bear fruit without Thai cooperation," he says.

The academic added that he is not certain if both the Thai government and private sector will care enough to support such step when "the huge economic possibilities in Burma are very enticing. They can pose as the biggest deterrent and will not be beneficial to the Burmese people and the opposition National League for Democracy," which was given overwhelming popular support in the May general election.

"Thailand has been too greedy and we look to Burma only for its tremendous natural resources. We are reaping everything from Burma in a gluttonous manner, without taking into account the plight of the Burmese people' said Sunait, who strongly doubts if the Thai Government and businessmen will be willing to support any move against the Burmese junta.

All participants concurred that the Thai Government has never expressed a clear position or sympathy towards the pro-democracy unrests and movement in its Western neighbour, although it "has always claimed to be a democratic nation."

The Thai stance and economic initiatives have tarnished the Thai image and bilateral relations at grassroots level, as a result Thai national security will continue to be threatened if Burma still suffers from political turmoil and popular struggle for democracy, Kiatchai warned.

Even Thai nationals living in Burma mainly in the capital of Rangoon have been staying there without guarantee of security since Thailand broke international sanction by being the first to open contact with the Burmese junta only three months after it rose to power through a bloody coup d'etat in September 1988, he says.

"Over 30 (Thai) families are living in constant fear... ever since the visit to Burma on Dec 14, 1988 (by then army commander-in-chief Gen Chawalit Yongchaiyut). On that day a wreath and a bomb were thrown into the (Thai) Embassy compound in Rangoon," says Kiatchai, who witnessed the latest 1988 popular uprising when he was living and working in Rangoon. "Those actions tell a lot of things and a clear indication that the Burmese people are dissatisfied with Thai policy which supports the government that suppresses them."

Most of the participants are of the opinion that despite their proximity, Thailand has "very little and true knowledge of Burma." It's time that "thorough serious academic studies are be conducted on Burma" as well as other neighbouring nations because implications of political and economic development in those countries inevitably affect Thailand, says Sunait.

"Thailand as Burma's closest neighbour should have the deepest knowledge about the country. But do we really knows anything about it," asks Kiatchai, who calls for study groups to seriously do a research on Burma for a true picture and knowledge of the once rice bowl of Asia.

Sunait, who did a disertation on Burmese history says the Thai people have long held a generally negative attitude towards Burma due to the past history of the two countries, and presently the Burmese are having the same attitude about Thailand. He asserts that the continued ignorance of the Thai Government on the Burmese people's call and struggle for political change will only intensify Burmese hostility and can result in a negative outcome if and when a true democratic Burmese government is installed.

"Thailand has been developing on the Burmese benefits and resources. We have been exploiting cheap labour force from that country. We (Thai people) make a lot of unforgettable scars on the Burmese... And I will not be surprised if the Burmese people hate this (Thai) government," says Sunait. "We are creating an insecure situation for ourselves by striving for our own benefits and ignoring to study the true (political) situation there (Burma). This behaviour is dangerous and frightening," he adds.

In the end all participants strongly urged the Thai Government to evaluate and adjust its policy on Burma based on the political reality in Burma or else Thailand can be directly or indirectly affected by the increasing radical and militant anti-Rangoon political movements.

However, some academics are still doubtful if Thailand especially a small clique of businessmen and investors are ready to sacrifice the huge economic prospects in Burma for international support against the military rulers in Rangoon.

Police Officer Reports on Border Situation

BK1812110390 Bangkok NAEO NA in Thai 18 Dec 90 p 2

[Text] Police Major General Manat Khanthathatbamrung, assistant commander of the Border Patrol Police Regional Headquarters One, briefed reporters on the situation along various Thai borders during 1 July to 15 December at the Border Patrol Police General Headquarters yesterday.

He said that while negotiations are under way to bring peace to Cambodia, fighting inside that country has been renewed. The Khmer Rouge has launched offensives in major fronts with an aim to approach the city of Phnom Penh. At the same time, the Phnom Penh Government is preparing a major crackdown on the Cambodian resistance during the dry season. Therefore, it is anticipated that fighting to gain territory will intensify. Although the fighting has not directly affected Thai people living along the border, groups of Cambodian bandits have crossed the border on and off to rob Thai villagers. There are still illegal entries into Thailand and smuggling of war weapons and contraband goods, he added.

Turning to the Thai-Burmese border, there has still been fighting between the Burmese military government and ethnic minority groups. A serious incident was the explosion at the immigration office of the Myawaddi District in Burma that wounded five Burmese citizens. As a result, the Burmese authorities decided to close the docks serving as border passes for goods and to prohibit peoples of the two countries travelling to and fro. However, it is expected that the Thai and Burmese peoples would be able to resume contacts after the controversial issues are cleared.

Police Major General Manat said Burma's ethnic minorities who have set up factories along the Burmese border to produce narcotics and use Thailand as their route to smuggle out their products to the world market have caused a direct impact on Thailand. Such operations have misled foreigners into believing that Thailand supports the narcotics production and distribution by Burma's ethnic minority groups. Moreover, there is still a problem of Burmese fleeing into Thailand, thus creating more burden for Thailand in controlling and taking care of them, as well as creating crime.

Touching on the Thai-Malaysian border situation, successful cooperation between Thai and Malaysian authorities in seriously suppressing the Malayan communist terrorists and persuading them to finally dissolve their army, has resulted in smooth relations between them.

On the movement of the Communist Party of Thailand, the party has no longer carried out military operations, but has instead engaged in political activities, particularly during the elections of Municipal Council members and Provincial Council members in various Southern provinces. The Communist Party of Thailand is trying to push forward its fronts to increase its membership as much as possible so that they can openly carry out political activities at the local level. There are still cases of encroachment of national reserve forest areas and bandits demanding protection fees.

Terrorists in the South have continued to carry out both military and political operations. They have attacked the operations of government officials, circulated threatening leaflets, and demanded protection fees from teachers.

Banhan on Meeting With Vietnam's Mai Chi Tho

BK1612090790 Bangkok SIAM RAT in Thai 15 Dec 90 p 3

[Text] Interior Minister Banhan Sinlapa-acha reported a successful meeting he had with his Vietnamese counterpart Mai Chi Tho [date not given]. He said both Vietnam and Thailand agreed to cooperate in promoting mutual relations on the basis of Prime Minister General Chatchai Chunhawan's policy of achieving peace and economic prosperity for all countries in this region.

Banhan asked Vietnam's cooperation in preventing the departure of Vietnamese boat people which posed a heavy burden for Thailand. He asked Vietnam to support the ODP (orderly departure program), for the Vietnamese people desiring to settle in foreign countries. He proposed that there should be direct flights from Ho Chi Minh City to third countries. The Vietnamese interior minister said he would look into the matter.

Banhan said Vietnam also agreed to take back refugees both on a voluntary and involuntary basis, and would not block Thailand's effort to send refugees back home, a policy similar to that which Vietnam adopted with Hong Kong. Vietnam said it is ready to conclude such an agreement with Thailand later on.

Discuss Fishing, Refugees

BK1812021190 Bangkok BANGKOK POST in English 18 Dec 90 p 3

[Text] Vietnam yesterday agreed to consider Thailand's proposal for a joint fishing venture in Thai-Vietnamese economic waters.

Thailand's proposal was forwarded by Interior Ministry deputy permanent secretary for security affairs, Chamnan Photchana, to Vietnamese Interior Minister, Mai Chi Tho.

The Vietnamese minister called on Mr Chamnan yesterday to seek advice from Thailand as Vietnam is opening up to tourists.

Mr Tho said Vietnam wants advice on immigration, how to prevent tourists considered undesirable from entering the country and international crime prevention.

Mr Chamnan said Mr Tho will lead officials from Vietnam on another trip to Thailand to study these matters.

At Thailand's request, the Vietnamese minister agreed to make it better known to the world how Vietnamese refugees who return home voluntarily are treated and whether their livelihoods are improved or not.

This is in order to urge about 10,000 other Vietnamese boat people now in Thailand to return home, he said.

Taiwan To Act Against Illegal Thai Workers

BK1812023590 Bangkok THE NATION in English 18 Dec 90 p A4

[Text] The Taiwanese government will allow a grace period until Feb 28 before taking legal action against illegal foreign workers including tens of thousands of Thais, the Thai Foreign Ministry said yesterday.

The Thai consulate in Hong Kong has informed the ministry that Taiwan's Interior Ministry announced the grace period on Dec 7 after Taiwanese authorities threatened a massive crackdown on illegal foreign workers.

Illegal immigrants who turn themselves in before Feb 28 will not be fined or taxed or have their residences searched by authorities, Foreign Ministry spokesman Sakthip Krairoek quoted the Thai Consulate as saying.

The consulate also denied news reports that arrested illegal foreign workers would be jailed for three years.

Thai Consulate officials have met high-level authorities of Taiwan and were told that such reports are not true," Sakthip said. "The Taiwanese law doesn't prescribe imprisonment for illegal foreign workers or those found guilty of overstaying."

However, Taiwanese authorities confirmed that a crackdown would be launched after the grace period ends.

Official estimates on the number of illegal Thai workers in Taiwan range from 20,000 to 40,00.

The grace period was "part of a campaign to encourage illegal foreign workers to surrender" and facilitate their repatriation, Sakthip said.

The Thai consulate in Hong Kong also dismissed the possibility that Taiwan might soon find ways to "legalize" Thai and other illegal foreign workers.

Taiwanese Prime Minister Hao Po-tsun and national labour chief Chao Shou-po said recently that legalization of illegal foreign workers would go against the law adopted to prevent an influx of foreign job seekers into the country.

Malaysia, Indonesia and the Philippines, whose nationals are working illegally in Taiwan in large numbers, have also requested that the Taiwanese government legalize their workers, Sakthip said.

Vietnam

Army Demobilization Halted Due to Unemployment

BK1812101690 Hong Kong AFP in English 0943 GMT 18 Dec 90

[Text] Hanoi, Dec 18 (AFP)—Vietnam has halted the demobilization of Army units because of high unemployment on the home front, an official said here.

The official NHAN DAN daily, citing informed sources, meanwhile reported Tuesday that National Assembly deputies were debating cutting conscription from three years to two years. The reduction would exclude soldiers with highly skilled jobs which require long training.

The government decided in 1988 to cut the size of the Army—the world's third largest with more than a million men—for economic reasons.

But the official, who has close ties to the military, said recently that the leadership had "temporarily halted demobilizations and the Army currently numbers at least 800,000 men."

He added that the "goal of an Army of 500,000 men has now been pushed back to 1994 because we have to take into account the high unemployment in the country which makes it hard for soldiers to find jobs."

The government had not made public earlier a target date for the demobilization process.

Nearly a third of the country's workers are currently without steady jobs, according to official sources.

"We cannot (demobilize) faster because it depends on the general situation in the region, which is improving only slowly, especially with China," the official added.

Late last year, Defense Minister Le Duc Anh said the size of the Army had been cut by 500,000 men, more than 100,000 of them officers, since the beginning of 1988.

He said the reduction should go hand-in hand with the "upgrading of the quality of our troops," particularly in political issues.

Political officers in the Army have said on several occasions that the military should focus on defending socialism.

In September, the Army daily QUAN DOI NHAN DAN reported a purge of corrupt communist party members from party organizations in the Army. The Vietnamese Army has been hit by a desertion rate as high as 30 per cent in some units, the daily added.

Vo Van Kiet Delivers Socioeconomic Report

Part One

BK1712092190 Hanoi Domestic Service in Vietnamese 1430 GMT 5 Dec 90

["Part 1" of socioeconomic report by First Deputy Prime Minister Vo Van Kiet at the 5 December opening meeting of the Eighth National Asembly's eighth session—read by annoucer]

[Text] Dear Presidium members and National Assembly deputies: The Council of Ministers has sent a copy of the draft socioeconomic development plan for 1991 to all National Assembly deputies. On behalf of the Council of Ministers, I would like to elaborate on the issues worthy of attention in that draft plan.

Dear Comrades: The year 1991 holds a rather special position. It is the first year of the 10-year strategy to extricate our country from poverty and backwardness. It is also a year in which we must cope with new difficulties, though we have new opportunities and development stances which challenge the determination and sensitiveness of our party, state, and people. Once overcoming these ordeals, we will create a new and significant steadfast step forward in establishing the premises for the coming stage.

We should unify our views that originate from the relations of a multisectorial consumer economy and the open foreign policy in order to assess the background that leads to 1991. In this way, we will detect and analyze the various factors, formulate the 1991 plan, and continue the renovation process with higher determination. In this spirit, I would like to present the following:

Part one. Appraisal of the situation in 1990 and general review of the 1986-90 five-year period.

Dear National Assembly deputies: In the draft socioeconomic development plan for 1991 which the Council of Ministers has presented to you, several pages have been used to assess the implementation of the 1990 plan. I would like to elaborate on the important issues linked to the major socioeconomic changes during the 1986-90 period.

As we all know, during the 1984-85 period our country's economy was sliding downhill into a recession with declining agricultural production, shortages of grain and food products, scarcity of consumer goods, a slump in exports, huge yet inefficiently used aid and import surplus, a difficult life, and degrading public utilities. The trouble was markedly manifested by hindered circulation, soaring inflation, declining finances, and the indecisiveness as to whether or not the system of state subsidization should be abolished in view of the spontaneous market development. The evolution of the economy did not take any definite pattern. The state could not bring into play its management authority but remained passive in coping with everyday economic operations. Life became difficult, the people lost their confidence in the socioeconomic future of the country.

Faced with this situation, our party has made thorough reviews and drawn upon experiences of spontaneous models or pilot projects in some enterprises and localities in the spirit of the fourth party committee's sixth plenum resolution in 1979. It was mainly based on these vivid realities that the sixth party congress in 1986 promptly set forth the line of renovating all aspects of the socioeconomic life to lead the country to today's new situation.

On the occasion of the National Assembly discussion of the 1991 socioeconomic plan, let us examine together the achievements in renovation and analyze the attained results and outstanding problems to clarify bases on which to reach conclusions in assessing the 1990 situation and the background in 1991.

From 1986 to early 1990, implementing the party resolutions, our state has promulgated, organized and implemented major policies manifested by a series of National Assembly laws, regulations of the council of state, and decisions, decrees, and directives of the Council of Ministers. All these institutions can be summarized as follows:

1. To continually perfect the system of contracts in agriculture, allocate land to peasants, rescind the system of collection and purchase and two-way barter in kind, legally recognize the right of peasants' families to independently run their business in the market, admit the right to ownership of private individuals over the means of production of various other trades and sectors, and encourage them to run profitable businesses in the planned direction.

2. To largely eliminate the planned norms, and practically give state enterprises the right to autonomy in business, in settling their own finances, and in distributing the remaining income after making contributions to the budget.

3. To recognize the legal right to competition and equality of all business collectives and individuals without discriminating against their origins and property. Subsequent policies have been applied since mid-1988.

4. To eliminate subsidization of grain and essential consumer goods for cadres, civil servants, and their dependents; compensate for price increases in wages; and maintain the purchasing power of wages.

5. To eliminate the policy of providing subsidies for the purchase of production means by state enterprises and implement the commodity exchange within the state economy and other economic sectors on the basis of the one-tier pricing system. These measures have been applied first of all, to consumer products and then, to regular commodities and production means. In early 1989, the state only set the prices for energy and fuel and the transportation fees for merchandise, cotton, steel, and cement. So far, the pricing system for these important commodities has continually been adjusted by the state in keeping with the supply-demand relation in the market.

6. To shift banking operations to business activities and bring short-term credit interest rates up to nearly the same par of inflation rates and increase the official rates of exchange between Vietnamese dong and other foreign currencies to approximately the same market rates.

7. To reduce subsidized credits, develop commercial credits, and loosen control of remittances and gold.

8. To reorganize a step further the export-import workforce in the direction of intensifying the autonomy of primary production and business installations. Export-import units have ample rights to chose their customers and goods, and to determine prices and operating procedures as well as the money used in payment within the framework of export-import quotas and state customs.

9. To promulgate investment law and carry out diplomatic activities to attract investments.

In the course of providing leadership for implementation, we have striven to arrange and alternate the aforementioned systems sucessively. We have provided stimulating guidance while taking caution to make the preceding system a premise for the subsequent one and to enable the latter to create a new setting for the implementation of the preceding one. We have no pattern available to actively formulate a program for managing the renovation process from the very beginning and for changing the socieoconomic life from the old to new status.

We should admit a reality that the state itself has only found out gross errors of centralism, red tape and subsidization gradually as it is working, and has gradually visualized the market-oriented economy with all its complex, vivid and limited relations to draw upon experiences and grasp the new management method and tool, going from the simple to complicated forms so as to control the market-oriented economy.

Pending the stage of shifting to a new mechanism, enterprise managers can only form gradually their ability to actively conduct business, consolidate their competitiveness and adapt the market. Consumers also might have become somewhat fond of subsidies that cause sluggishness but are mistaken as safety and stability. On the contrary, there have been legitimate demands that at times are too high—a result of doing business for too long in a monotonous and poor manner.

Against the aforementioned background, we have scored truly significant achievements: First, since early 1989, the economic mechanism has shifted to a market-oriented system with state managerial control. The market of commodities has been established and prices have reflected nearly the real supply-demand situation. The market of currencies has begun to take shape. Tens of thousands of state-run, collective, private, and individual enterprises of different sizes no longer remain passive because of the state orders and plans. A sense of autonomous and independent action has shaped up to allow for decisions to be taken together in the market relations and law to be established according to social habits.

Business force and then production forces have been released and developed. Circulation is no longer hindered. The market has abounded in diverse goods.

Second, also since early 1989, galloping inflation has been controlled. Currency has become relatively stable and safe. Idle finances among the people have been mobilized for production and business. The rates of exchange have reflected nearly the real relations between prices at home and abroad and have created conditions for the development of external trade.

Third, the people of all strata and economic components can do their businesses independently. Material life by and large is definitely improving. In society, an atmosphere of dynamic competition has reigned, with emphasis placed on technological progress and business learning. Confidence in the socioeconomic future is being restored. The spirit of seeking the progress and self-sufficiency of the nation's traditional indomitableness is being stirred up. As experience in history has shown, this spirit has many times the strength enabling the country to surmount many ordeals and dangers.

Fourth, on the agricultural battlefront, action has begun to do away with the self-sufficiency system of monocrop planting. Agriculture is advancing toward developing multicropping comprehensively. Agricultural products and commodities have become abundant and diversified. Some major areas of specialized crop cultivation have also begun to take shape.

Through a long period of time under the old mechanism, peasants—who used to attach themselves closely to their ricefields or gardens—have never directed their attention at the market as they do now. Grain output increased from 18.2 million metric tons in 1985 to 21.5 million metric tons in 1990. From a food shortage, we have over the past 2 years been able to produce enough rice for export. This is obviously a signifcant success of the process of renovation.

We would also like to call the National Assembly's attention to another significant event directly related to the exportation of nearly 1.5 million metric tons of rice. That is the expansion of the land and maritime transport capacity in the Mekong River Delta and at the Saigon port. An unexpected increase by nearly 1.5 million metric tons in the port transport capacity is unprecedented in the past despite the fact that transport work had, at times, been directed and speeded up in the form of a campaign. Like the transport of goods and passengers between the north and the south or between the lowland and mountainous regions, the transport of this volume of rice has been carried out a relatively smooth and faster manner. This shows that our infrastructure, although poor and behind the times, is still capable of serving economic development in the immediate future.

Fifth, noteworthy achievements have also been recorded in the domains of exportation to and investment from foreign countries. Exports have increased continuously since 1986 and enormously during the 1989-90 period in particular. The gross export value in the 1986-90 five-year period has increased by 2.2 times over that in the 1981-85 five-year period. The export value stood at 594.3 million rubles and dollars [as heard] in 1985 and 2,150 million rubles and dollars in 1990. The obvious change in exports is of great importance, in terms of quantity, to activities in preparation for initial change in terms of quality.

Regarding investment, over the past 3 years or so, permits have been issued to nearly 200 projects with still modest total capital of approximately $1.4 billion. More foreign companies have come to Vietnam in recent months and various big projects are under discussion.

Sixth, in the domain of consumer goods production, in early 1989 the state-operated industrial sectors—

especiallly those at the precinct or district level—were stunted following the abolishment of many mandatory norms, elimination of state subsidies for materials and credits, adjustment of the rates of exchange, and application of the one-price system in the market. On the contrary, the central industrial sectors and some industrial sectors at the provincial and city levels were able to adapt themselves step by step to the market mechanism, thus bringing into play their advantages concerning cadres' standards of knowledge, workers' professional skills, equipment, and capital; successfully competing with a number of imported goods; and proving that they could firmly maintain production and make encouraging progress.

Generally speaking, although the value of gross output of the industrial sectors during the past two years has increased slowly compared with the past, their production has been carried out with more practical results. These are the fruits of the efforts to renovate the economic structure and intensify quality control in industrial production. As we have noted, the success in transforming the economic sector's structure is focused on three major economic programs.

In addition, as already stated in the planning report that has been submitted to the comrade National Assembly deputies, new progress has also been recorded in such sectors as heavy industry, transportation, posts, and construction.

National Assembly Continues Group Discussions

BK1812105790 Hanoi Domestic Service in Vietnamese 2300 GMT 14 Dec 90

[Report by station correspondent Ngoc Ky on the 14 December group discussions of National Assembly deputies on the draft laws on private trade and shareholding corporations]

[Summary] "Yesterday afternoon, 14 December, the National Assembly held group discussions on the draft laws on private trade and shareholding corporations. Taking part in the group discussions were deputies from Hanoi, Hai Phong, Quang Ninh, Vinh Phu, Dong Nai, and Ho Chi Minh City."

The discussions centered around eligibility for establishment of private trade and shareholding corporations as well as agencies responsible for granting private and shareholding corporation permits.

Some deputies from Vinh Phu proposed that the sentence which read, state-operated trade agencies and cooperatives play a decisive role, be removed from the foreword to guarantee equal treatment for all economic sectors.

Regarding eligibility for establishment of private trade, several deputies proposed that the court, inspection sector, customs, revenue service, and other law enforcement agencies be barred from the establishment and management of private trade and shareholding corporations. Others suggested that with the exception of party organizations, eligible candidates for establishment of private trade and shareholding corporations should include dependents of state employees and army officers as well as mass societies.

According to some deputies from Hanoi and Ho Chi Minh City, given the current situation, the private sector should be banned from the production and circulation of toxic chemicals. The exploitation of precious and rare materials should not be left to the private sector but should be put under state control. Likewise, all import-export activities by the private sector should also be controlled by the state.

Concerning the granting of permits to private trade and shareholding corporations, many deputies from Hanoi, Ho Chi Minh City, and Dong Nai proposed that this task be reserved for provincial, city, and central agencies only.

Several deputies stressed that concrete details should be provided to further elaborate Article 5 stipulating that state agencies and military units are prohibited from using state property and funds to invest in shareholding corporations.

Many deputies proposed that the state promulgate the laws on bankruptcy and labor at an early date.

"This morning, 15 December, National Assembly deputies will continue their group discussions on the draft laws on private trade and shareholding corporations."

Comparison of VNA Interview With Thach

BK1512120690

Hanoi VNA in English at 0657 GMT on 15 December carries a 2,500-word report on an interview granted by Vietnamese Foreign Minister Nguyen Co Thach to VNA on the Cambodian issue. The VNA version of the report has been compared with and found to be identical to the Hanoi Domestic Service version published in the 17 December East Asia DAILY REPORT, page 56, except for the following:

Column one, paragraph one, sentence one reads: Hanoi VNA Dec 15—Foreign Minister Nguyen Co Thach on December 14 granted an interview to VNA on the Cambodia issue. Following is the full text of the interview: [new graf] (providing introductory graf with date of interview)

Paragraph three, sentence two reads: concerning Cambodian sovereignty, Vietnam holds that there are no major outstanding problems in the proposals made in the draft agreement of the five UN Security Council permanent members and the two co-chairmen relating to the international aspect of the Cambodia issue, and these can be agreed upon. The fact that (supplying variant wording)

Column two, second complete paragraph, sentence five reads: Now as always, Vietnam holds that Cambodia's internal questions must be settled by the Cambodian people themselves without outside interference or pressure. Therefore, it cannot (supplying variant wording and deleting "Vietnam's unchanged position.")

Fourth complete paragraph, sentence one reads: Nations to intervene. How will the Cambodian issue evolve if the United Nations doesn't interfere? (supplying variant wording)

Page 57, column one, fifth complete paragraph, sentence one reads: UN Charter. Therefore, Vietnam has no right to criticize the violation (changing "people can no longer criticize" into "Vietnam has no right to criticize.")

Column two, first complete paragraph, sentence two reads: Security Council, which have the right of veto (changing "uphold" to "have.")

Page 58, column one, fourth complete paragraph, sentence two reads: beneficial to Vietnam, they will try all ways and means in order to not (not) [as received] to normalize. In fact, immediately after Vietnam had withdrawn its troops from Cambodia they set another condition for normalization by demanding the settlement of the Cambodia question or else they would make the normalized relations undurable. If China and (supplying variant wording)

Vo Nguyen Giap Attends University Function

BK1812083990 Hanoi Domestic Service in Vietnamese 1100 GMT 16 Dec 90

[Text] This morning, in front of President Ho Chi Minh's mausoleum, more than 200 progressive students and 100 teaching cadres, teachers, and staff of the Bac Thai Medical University held a celebration and report on achievements in honor of Uncle Ho.

On behalf of the university's management, Comrade Le Ngoc Trong, a candidate doctor of philosophy and dean of the university, reported to Uncle Ho on the achievements scored by the teaching cadres, teachers, staff, and students of the Bac Thai Medical University over the past 22 years.

Over the last 22 years, more than 5,000 doctors have graduated and are working in the nation's health service especially in the mountain provinces in the northern region. In the 1989-1990 school year, the university and its teaching hospital strived to implement the three programs of the university and the programs of the health service sector.

To implement decision No. 22 of the party Political Bureau on the economic and cultural development of the mountain areas, the university has enrolled many ethnic minority students and it is the university which has trained many ethnic minority cadres for the mountain provinces.

After the celebration, the university staff and students were received in a friendly manner by Comrade Vo Nguyen Giap, vice chairman of the Council of Ministers.

CPV Sends Greetings to French Communist Party

BK1812090990 Hanoi Domestic Service in Vietnamese 1430 GMT 17 Dec 90

["Greetings" from the Central Committee of the Communist Party of Vietnam to the 27th Congress of the French Communist Party; date not given]

[Text] Dear Comrades, on behalf of the CPV [Communist Party of Vietnam], the Vietnam workers' class, and the Vietnamese people, we would like to send our warmest welcome to the 27th PCF [French Communist Party] Congress and, through the congress, to all the communists, the workers' class, and the laboring people of France.

This time, your congress has a very special meaning. It is held on the 70th anniversary of the founding of the PCF. It develops the fine tradition and confirms the great vitality of the genuine political party formed seven decades ago in the historic Tulles Congress.

We sincerely hope that you organize successfully the 27th PCF congress and score new achievements in the struggle for justice, freedom, and peace to actively contribute to the common cause for peace, national independence, democracy, and socialism.

The close relationship between our parties, passing through the time and challenges, never stops developing for the better. On this occasion, we would like to express our sincere gratitude to the PCF, the workers' class, and the French people for their overwhelming and precious support to the revolutionary undertaking of the CPV, the workers' class, and the Vietnamese people.

We wish to send you the communist salutation.

Do Muoi Receives Former Canadian Prime Minister

BK1712108090 Hanoi VNA in English 1452 GMT 17 Dec 90

[Text] Hanoi VNA December 17—Former Canadian Prime Minister Pierre Elliott Trudeau and Senator Pierre Kolber [as received] left here today, concluding a week-long visit to Vietnam.

While here, the guests were received by Premier Do Muoi, and Foreign Minister Nguyen Co Thach. They toured Hanoi, Haiphong, Ha Long Bay, Hue, Danang and Ho Chi Minh City.

The Canadian guests expressed their wish for further development of the cooperation between Vietnam and Canada in the interest of the two peoples.

Do Muoi Receives Finnish Ambassador Lipponen

BK1812081990 Hanoi Domestic Service in Vietnamese 1430 GMT 14 Dec 90

[Text] On 13 December, the Chairman of the Council of Ministers Do Muoi received the Finnish Ambassador Plenipotentiary and Extraordinary to Vietnam Esko Lipponen, who called on the chairman.

Chairman Do Muoi Receives Egyptian Ambassador

BK1812022690 Hanoi Domestic Service in Vietnamese 1430 GMT 15 Dec 90

[Text] On 14 November [as heard] 1990, Chairman of the Council of Ministers Do Muoi received the Egyptian Ambassador Plenipotentiary and Extraordinary to Vietnam Mustafa Hasan Abu-Sunayf who called on the chairman. Chairman Do Muoi had a friendly discussion with the Egyptian ambassador.

Hanoi Bureau of Thai Daily Paper Inaugurated

BK1712151690 Hanoi VNA in English 1451 GMT 17 Dec 90

[Text] Hanoi VNA December 17—Mr. Suthichai Yun, editor-in-chief of THE NATION of Thailand, gave a reception here this evening on the occasion of the inauguration of the bureau of THE NATION in Hanoi.

Representatives of the diplomatic corps and the Vietnamese mass media and many foreign correspondents in Hanoi attended the reception.

New Zealand

Prime Minister Supports Swedish GATT Plan

BK1812044490 Hong Kong AFP in English 0436 GMT 18 Dec 90

[Text] Wellington, Dec 18 (AFP)—A plan proposed by the Swedish Agriculture Minister Mats Hellstrom was the best hope of salvaging the collapsed world trade liberalisation talks, New Zealand Prime Minister Jim Bolger said Tuesday.

Mr. Bolger, who attended the Uruguay Round of General Agreement on Tariffs and Trade (GATT) talks which collapsed in Brussels earlier this month, told AGENCE FRANCE-PRESSE that despite the apparent failure all was "not lost."

A resolution was possible on the basis Mr. Hellstrom's call for the European Community (EC) to make 30 per cent cuts to export subsidies, border protection and internal price supports.

The Cairns Group of agricultural exporting nations, which includes New Zealand, has been calling for a 90 per cent cut in subsidies and a 75 per cent cut in internal supports. The EC has offered effective cuts of around 15 per cent.

Mr. Bolger said although the talks in Brussels did not succeed he could see a new deal coming together based on the Hellstrom plan.

"We could accept that text," he said.

He said it was apparent in the last week that the United States and the EC were discussing agricultural protectionism and positive progress was being made.

The "important next step" was for the EC, Japan and South Korea to be prepared to adopt a more liberal approach to the reform process, especially in agriculture, he said.

It was important that the idea there would be winners and loosers in the GATT round was "totally rejected."

"All will benefit," he said.

Prime Minister Welcomes French Premier's Visit

BK1812033290 Hong Kong AFP in English 0322 GMT 18 Dec 90

[Text] Wellington, Dec 18 (AFP)—New Zealand is an "an old friend and ally" of France and the pending visit here of French Prime Minister Michel Rocard is warmly welcomed, New Zealand Prime Minister Jim Bolger said Tuesday.

Mr. Rocard is due to visit in late January, the first French cabinet-level visit here since French secret agents blew up the Greenpeace ship Rainbow Warrior in Auckland Harbour in 1985.

Mr. Bolger said in an interview with AGENCE FRANCE-PRESSE that the visit, the result of an invitation from the previous Labour government, was positive and he welcomed it.

"It demonstrates in a very positive way that Prime Minister Rocard wants to understand New Zealand better, wants to put the events of a year or two back with the Rainbow Warrior into the past and to establish a proper and warm relationship with an old friend and ally, New Zealand," he said.

Mr. Bolger said continued French nuclear testing at Mururoa Atoll in the South Pacific would be an issue in the talks and would probably cause public demonstrations while Mr. Rocard was here.

"Mr. Rocard is not a stranger to demonstrations, he has seen them before," he said.

"We will make it very clear however that we strongly oppose the continued nuclear testing in the Pacific. Our position on that has not altered and the position will be firmly restated."

Mr. Bolger identified the Rainbow Warrior and nuclear testing as the "two blackspots" in Franco-New Zealand relations.

"I think it is positive that the prime minister of France, knowing those two issues cause considerable difficulties, still sees it as important to visit New Zealand," he said. "I welcome that."

Mr. Bolger said Mr. Rocard, a former minister of agriculture, was "very clearly identified" with the trade issues which concern New Zealand.

He pointed out that New Zealand has regularly had to renegotiate deals over access for its butter and sheepmeat to the European Community. "The view of France is very important on this," said Mr. Bolger.

He said be believed Mr. Rocard could influence the European Community to "adopt a more liberal approach to reform in agriculture."

The prime minister said while he was in Brussels earlier this month attending the general agreement on tariffs and trade talks, he tried unsuccessfully to see Mr. Rocard in Paris.

Bolger Details Ties With Taiwan, PRC, U.S.

BK1812062490 Hong Kong AFP in English 0615 GMT 18 Dec 90

[Text] Wellington, Dec 18 (AFP)—New Zealand's new government intends maintaining a strong profile in Asia, Prime Minister Jim Bolger said here Tuesday.

In an interview with AGENCE FRANCE-PRESSE he said New Zealand had growing trade links with Taiwan.

"They are a strong economy and we must trade with people who can actually pay the bill. We've had difficulties with one or two around the world. Taiwan can," he said.

He hoped New Zealand could rebuild trade with China following the reaction to the crushing of the pro-democracy movement in that country.

"They're not in a strong economic position at the moment and that is a strong downside for New Zealand, because they are a major purchaser of our goods," he said.

On relations with the United States, which under the previous Labour government saw its warships barred from New Zealand ports because they would not confirm they had no nuclear weapons aboard, Mr. Bolger said sharp divisions between Washington and Wellington were now a thing of the past.

"I want a positive relationship with the United States," he said. "We will be directing our energies toward achieving it."

Papua New Guinea

Cooperation Agreement Reached With France

BK1712074890 Melbourne Overseas Service in English 0500 GMT 17 Dec 90

[Text] Papua New Guinea says France has agreed to its proposal to enter into a bilateral agreement to promote dialogue and cooperation. Papua New Guinea's foreign affairs minister, Sir Michael Somare, who has just been to France, says officials from the two countries will need to work out details of a framework for the agreement over the next few months.

Sir Michael announced also that his government had decided to open a diplomatic mission in Paris next year. The bilateral agreement will cover education, scientific and cultural areas, trade and investment, development assistance, and security measures.

An invitation was also extended to the French foreign minister to visit Papua New Guinea early next year to continue the dialogue.

Western Samoa

Head of State Signs Universal Suffrage Bill

BK1512112090 Hong Kong AFP in English 1003 GMT 15 Dec 90

[Text] Apia, Dec 14 (AFP)—More than 100 people led by a brass band marched through the streets of Apia on Friday to protest the introduction of universal suffrage in Western Samoa.

The march to the private residence of the head of state, Malietoa Tanumafili, was calm and orderly with police keeping a low-key presence.

Western Samoa's previous electoral system gave the vote only to heads of families, known as Matai. But following a referendum in October, the government last week passed a bill to introduce universal suffrage in time for elections next year.

The group of protesters, who call themselves "the free forum of Matai" and claim to have wide support across the country, urged the head of state not to sign the bill into law.

They presented a petition which they said had been signed by thousands of people.

But as the march was in progress, a report came over the government radio that the head of state had signed the bill into law earlier in the week.

A spokesman for the head of state confirmed the report and the protesters disbanded immediately.

An independent MP, Le Tagaloa Pita, is patron of the group but he was not present at the march.

Earlier this month Prime Minister Tofilau Eti Alesana said he was disappointed that the head of state, known here as Ao O Le Malo, was being dragged into the issue.